

# INTERNATIONAL Herald Tribune

Published with The New York Times and The Washington Post

No. 29,773

PARIS, TUESDAY, OCTOBER 31, 1978

Established 1887

## Soviet Man Takes A Walk to West — Across Finland

STOCKHOLM, Oct. 30 (UPI) — Viktor Bublik's ambition was to sail the Atlantic alone, but first he had to get out of the Soviet Union — so he walked out.

In an interview today with the newspaper Expressen, Mr. Bublik, 32, said he fled his country by creeping through a drainage pipe at the high-security Soviet-Finnish border and then walking through Finland to Sweden.

Mr. Bublik, who earlier had abandoned three escape attempts, said a book he read gave him the urge to be the first Soviet sailor to cross the Atlantic alone.

"I dreamed of it all the time but realized the only way for me to accomplish it was to flee the Soviet Union," he said.

### Worked as Lumberjack

After his unsuccessful attempts, Mr. Bublik took a job as a lumberjack in Soviet Karelia to plan the 370-mile, 18-day walk. He left his job at the end of June, but stayed in the region, posing as a tourist.

Mr. Bublik said he practiced using a compass and a detailed map, but took only a pocket map for his flight, "since I would have been caught with spying if I had been caught with the other map."

He starved himself for 12 days to learn how to combat hunger. For the trip he packed bread, canned milk, dry soups, eight tins of tea and 14 pounds of fat in his rucksack.

"I brought machete, very cheap tobacco, smoked by labor-camp prisoners in Siberia," he said. "Machete is made from the stems of the tobacco plant and is very strong. It helps you bear exertion."

"I started from a village called Kesenga, near the town of Luchi, at the end of July."

He said it took him seven days to walk the 74 miles to the border, stepping carefully to avoid setting off mines left from World War II.

(Continued on Page 2, Col. 5)



Viktor Bublik in Stockholm after trek.

## After Meeting in Paris

## Iran Opposition Backs Moslem Leader

By Jonathan Kandell

PARIS, Oct. 30 (NYT) — Leaders of the Iranian opposition movement met here last weekend and appear to have swung their support behind the hard-line stand of Ayatollah Khomeini, spiritual leader of the Shiite Moslem community of Iran, who has called for the overthrow of Shah Mohammed Reza Pahlavi.

With the violent demonstrations that have left hundreds dead in recent months still continuing in Iran, the ayatollah called on his followers there to intensify their campaign even at the risk of more bloodshed.

"Do not be afraid to give up your life and belongings in the service of God, Islam and the Moslem nation," the Mr. Khomeini was quoted as saying in a statement distributed by his followers here yesterday.

The 78-year-old ayatollah, who lived in exile in Iraq for the last 15 years, arrived here three weeks ago after the Iraqi authorities expelled him as a conciliatory gesture to the shah of Iran.

But Mr. Khomeini has apparently emerged as an even more troublesome opponent of the shah since his arrival in France. From his residence in a western suburb of Paris, he has issued orders daily to his followers in Iran. He has also proved far more accessible to other exiled opponents of the shah than he was in Iraq.

According to Mr. Khomeini's aides, he has refused to meet with emissaries from the shah and rejected any solution short of the shah's overthrow.

A number of Iranian opposition leaders, including Arim Sanjabi, who heads the National Front Party, have sought to convince him to take a less intransigent position to avoid a chaotic situation or a civil war in Iran. Last month, Mr. Sanjabi called for "an evolution, not a revolution."

But after meeting with Mr. Khomeini and other opposition leaders yesterday, Mr. Sanjabi said he was "in complete accord with the religious movement of Iran" under the direction of the ayatollah. He added that Mr. Khomeini "is now the eminent leader, respected and obeyed by the people, to such an extent that a single word by him is enough to put our country in a state of agitation or revolt."

"The struggle of the Iranian people, under the direction of the ayatollah Khomeini, is the same as yesterday," he said.

(Continued on Page 2, Col. 5)

## 2 Cabinet Ministers Replaced

## 11 Anti-Shah Protesters Killed in Iran

TEHRAN, Oct. 30 (UPI) — Security police killed 11 anti-government demonstrators in western Iran today, and wildcat strikes by petroleum workers disrupted Iran's \$20 billion-a-year oil industry.

The troubled nation underwent its third Cabinet reshuffle in two months.

Security units killed 11 demonstrators in what appeared to be a major outbreak of anti-government activity in the town of Paveh, 23 miles from the Iraqi border in western Iran, radio reports said.

Police used tear gas on protesters in Sanandaj, east of Paveh, and several other towns, the radio reports said, but they gave no details.

Worsening wildcat strikes by petroleum workers disrupted Iran's crucial oil industry and shut a cross-country natural gas pipeline to the Soviet Union. It was the first strike of its kind in Iran's oil industry.

The strikes were in five southern cities and the Kharg Island loading industry, the Ayhan newspaper reported.

Production at the world's largest refinery in Abadan has dropped from 600,000 to 200,000 barrels a day. Several other oil refineries were also reported on strike.

The strikers are demanding that the government end martial law, release all political prisoners, try former SAVAK secret police chief Gen. Nematollah Nassiri and punish officials accused of shooting demonstrators.

Shah Mohammed Reza Pahlavi received Premier Jafar Sharif Emami today and accepted the Cabinet reshuffle. Justice Minister Mohammad Baheri was replaced by Hussein Nagafi, and Mustafa Paydar became the new minister of state for executive affairs, replacing Manouchehr Azmoon.

Another day of anti-shah demonstrations in Tehran passed peacefully, radio reports said, as authorities withdrew tanks and armored cars from the capital and opened the universities to thousands of youths.

The strikers are demanding that the government end martial law, release all political prisoners, try former SAVAK secret police chief Gen. Nematollah Nassiri and punish officials accused of shooting demonstrators.

The liberal El Pais was founded 2½ years ago after the death of dictator Francisco Franco. It is considered one of Spain's most prestigious newspapers.

The liberal El Pais was founded 2½ years ago after the death of dictator Francisco Franco. It is considered one of Spain's most prestigious newspapers.

The liberal El Pais was founded 2½ years ago after the death of dictator Francisco Franco. It is considered one of Spain's most prestigious newspapers.

The liberal El Pais was founded 2½ years ago after the death of dictator Francisco Franco. It is considered one of Spain's most prestigious newspapers.

The liberal El Pais was founded 2½ years ago after the death of dictator Francisco Franco. It is considered one of Spain's most prestigious newspapers.

The liberal El Pais was founded 2½ years ago after the death of dictator Francisco Franco. It is considered one of Spain's most prestigious newspapers.

The liberal El Pais was founded 2½ years ago after the death of dictator Francisco Franco. It is considered one of Spain's most prestigious newspapers.

The liberal El Pais was founded 2½ years ago after the death of dictator Francisco Franco. It is considered one of Spain's most prestigious newspapers.

The liberal El Pais was founded 2½ years ago after the death of dictator Francisco Franco. It is considered one of Spain's most prestigious newspapers.

The liberal El Pais was founded 2½ years ago after the death of dictator Francisco Franco. It is considered one of Spain's most prestigious newspapers.

The liberal El Pais was founded 2½ years ago after the death of dictator Francisco Franco. It is considered one of Spain's most prestigious newspapers.

The liberal El Pais was founded 2½ years ago after the death of dictator Francisco Franco. It is considered one of Spain's most prestigious newspapers.

The liberal El Pais was founded 2½ years ago after the death of dictator Francisco Franco. It is considered one of Spain's most prestigious newspapers.

The liberal El Pais was founded 2½ years ago after the death of dictator Francisco Franco. It is considered one of Spain's most prestigious newspapers.

The liberal El Pais was founded 2½ years ago after the death of dictator Francisco Franco. It is considered one of Spain's most prestigious newspapers.

The liberal El Pais was founded 2½ years ago after the death of dictator Francisco Franco. It is considered one of Spain's most prestigious newspapers.

The liberal El Pais was founded 2½ years ago after the death of dictator Francisco Franco. It is considered one of Spain's most prestigious newspapers.

The liberal El Pais was founded 2½ years ago after the death of dictator Francisco Franco. It is considered one of Spain's most prestigious newspapers.

The liberal El Pais was founded 2½ years ago after the death of dictator Francisco Franco. It is considered one of Spain's most prestigious newspapers.

The liberal El Pais was founded 2½ years ago after the death of dictator Francisco Franco. It is considered one of Spain's most prestigious newspapers.

The liberal El Pais was founded 2½ years ago after the death of dictator Francisco Franco. It is considered one of Spain's most prestigious newspapers.

The liberal El Pais was founded 2½ years ago after the death of dictator Francisco Franco. It is considered one of Spain's most prestigious newspapers.

The liberal El Pais was founded 2½ years ago after the death of dictator Francisco Franco. It is considered one of Spain's most prestigious newspapers.

The liberal El Pais was founded 2½ years ago after the death of dictator Francisco Franco. It is considered one of Spain's most prestigious newspapers.

The liberal El Pais was founded 2½ years ago after the death of dictator Francisco Franco. It is considered one of Spain's most prestigious newspapers.

The liberal El Pais was founded 2½ years ago after the death of dictator Francisco Franco. It is considered one of Spain's most prestigious newspapers.

The liberal El Pais was founded 2½ years ago after the death of dictator Francisco Franco. It is considered one of Spain's most prestigious newspapers.

The liberal El Pais was founded 2½ years ago after the death of dictator Francisco Franco. It is considered one of Spain's most prestigious newspapers.

The liberal El Pais was founded 2½ years ago after the death of dictator Francisco Franco. It is considered one of Spain's most prestigious newspapers.

The liberal El Pais was founded 2½ years ago after the death of dictator Francisco Franco. It is considered one of Spain's most prestigious newspapers.

The liberal El Pais was founded 2½ years ago after the death of dictator Francisco Franco. It is considered one of Spain's most prestigious newspapers.

The liberal El Pais was founded 2½ years ago after the death of dictator Francisco Franco. It is considered one of Spain's most prestigious newspapers.

The liberal El Pais was founded 2½ years ago after the death of dictator Francisco Franco. It is considered one of Spain's most prestigious newspapers.

The liberal El Pais was founded 2½ years ago after the death of dictator Francisco Franco. It is considered one of Spain's most prestigious newspapers.

The liberal El Pais was founded 2½ years ago after the death of dictator Francisco Franco. It is considered one of Spain's most prestigious newspapers.

The liberal El Pais was founded 2½ years ago after the death of dictator Francisco Franco. It is considered one of Spain's most prestigious newspapers.

The liberal El Pais was founded 2½ years ago after the death of dictator Francisco Franco. It is considered one of Spain's most prestigious newspapers.

The liberal El Pais was founded 2½ years ago after the death of dictator Francisco Franco. It is considered one of Spain's most prestigious newspapers.

The liberal El Pais was founded 2½ years ago after the death of dictator Francisco Franco. It is considered one of Spain's most prestigious newspapers.

The liberal El Pais was founded 2½ years ago after the death of dictator Francisco Franco. It is considered one of Spain's most prestigious newspapers.

The liberal El Pais was founded 2½ years ago after the death of dictator Francisco Franco. It is considered one of Spain's most prestigious newspapers.

The liberal El Pais was founded 2½ years ago after the death of dictator Francisco Franco. It is considered one of Spain's most prestigious newspapers.

The liberal El Pais was founded 2½ years ago after the death of dictator Francisco Franco. It is considered one of Spain's most prestigious newspapers.

The liberal El Pais was founded 2½ years ago after the death of dictator Francisco Franco. It is considered one of Spain's most prestigious newspapers.

## Zionists Plan 400 Dwellings for West Bank Israel, Egypt to Resume Talks; Dayan Expects a Treaty Soon

WASHINGTON, Oct. 30 (UPI) — Israel and Egypt agreed today to resume formal, face-to-face peace talks for the first time in a week and a half. Israel's chief negotiator predicted approval of a treaty "in a very short time."

Boutros Ghali, Egypt's acting foreign minister, announced the reopening of the formal talks after a "very constructive and positive" meeting with Secretary of State Cyrus Vance.

Mr. Ghali said the chief U.S., Egyptian and Israeli negotiators would resume their formal meetings tomorrow in Blair House.

Prime Minister Menachem Begin today reaffirmed Israel's determination to maintain Jewish sovereignty in the occupied West Bank of Jordan, the Gaza Strip and East Jerusalem.

"There will be no foreign sovereignty in the land of Israel," Mr. Begin said, referring to the traditional biblical Israel of both sides of the Jordan. "This way there shall be peace with security."

Mr. Begin was speaking to a Likud mayoral election rally in the northern port city of Haifa. He was interrupted a number of times by ultranationalist religious demonstrators who feel that his settlement policy for the occupied territories is not aggressive enough.

Earlier, Israel said it plans to build about 400 housing units in the occupied Arab territories and has asked Washington to pay for the expected loss of 14 agricultural settlements in the Sinai desert.

The details of Israel's planned expansion of settlements in the West Bank, in line with a Cabinet

decision last week, were released to the national radio service by the World Zionist Organization, which said it will need an additional \$16 million in the next four months to pay for the expansion.

The head of the organization's Settlement Department, Shimon Raviv, told the radio that settlements will be enlarged in the occupied West Bank of Jordan, the Gaza Strip and the Golan Heights of Syria.

Mr. Begin has said that the Camp David accords gave Israel

the right to expand its West Bank settlements, but President Carter has insisted that he agreed only to minor increases — nothing on the scale now envisioned by Israel.

Washington Session

The last time the heads of the three delegations formally met together in Washington was 10 days ago — a session that resulted in the announcement of tentative agreement on the text of a peace treaty.

But the Egyptian and Israeli governments, which have to endorse

the text for final approval, later insisted on changes in the sensitive preamble to the treaty.

The major issue to be resolved appeared to be the delicate wording of the preamble's reference to the future of the occupied West Bank and Gaza Strip.

Israeli Foreign Minister Moshe Dayan reported "good progress on very important issues" concerning the text of the peace treaty.

Mr. Dayan, head of Israel's

(Continued on Page 2, Col. 3)

## Jordanians Note Iraqi Shift

## Arab Summit Moderation Seen

By Jonathan Randal

AMMAN, Jordan, Oct. 30 (WP) — Jordan predicts that fellow Arab moderates will dominate this week's Baghdad summit conference, prevent a condemnation of Egypt and win endorsement of a comprehensive peace approach as an alternative to the "unacceptable" U.S.-sponsored Camp David formula.

Explaining their unaccustomed optimism, well-placed Jordanian officials yesterday credited hard work by Jordan and Saudi Arabia in lining up solid moderate support, and a major policy change in favor of moderation by once ultra-radical Iraq.

So confident were the officials of success at Baghdad that they suggested that Jordan and Syria, and possibly "representatives of the Palestinian people," would meet soon after the summit to work out details of the new diplomatic approach.

King Hussein was expected to write President Carter — and in the Baghdad summit — of his desire to keep open the option of peace negotiations.

The officials said that "an increasing number of Americans realize" that the Camp David formula involving Jordanian participation in negotiations on the West Bank's future is "unacceptable."

"Real Problems"

King Hussein's insistence last month on pinning down the United States on the future of East Jerusalem, the West Bank, the Gaza Strip and the Golan Heights has "forced Washington to think about the issues and address the real problems," the sources said.

Such diplomatic language was translated in Jordanian newspaper comments into open congratulations to the king for having forced the current U.S.-Israeli showdown over Israeli settlements on the West Bank.

Despite the embarrassment caused to Egypt by the new squabble about the settlements, analysts here suggested that any delay in the Washington negotiations might

prevent the Baghdad summit from openly stigmatizing Cairo.

Jordan, dependent for as much as 40 percent of its budget on foreign largesse, also hopes that the Baghdad summit will commit as much as \$1 billion a year for the next decade to strengthen Jordan and help pay its army, according to informed sources.

Moreover, Iraq, which long remained aloof from any Arab-world cooperation, now could be expected to chip in, according to analysts.

Iraq's new devotion to moderation is apparently sparked, analysts suggested, by a desire to fill the vacuum now that Egypt, its age-old rival for leadership, has effectively removed itself from Arab ranks.

As last week's reconciliation meeting between Syrian President Hafez al-Assad and Iraqi President Ahmed Hassan al-Bakr indicated, the Baghdad authorities are willing to soft-pedal once-rigid demands that other states veto any peace negotiations with Israel.

In last month's Damascus summit meeting, Syria made sure that

its more radical partners in the "front of steadfastness and confrontation" — Algeria, Libya, Southern Yemen and the Palestine Liberation Organization — left the door open for negotiation.

Now the moderates apparently believe Iraq is willing to go along with them. They feel they can carry the day even if Libya's Moamer Qadhafi or other radicals walk out.

But only the summit meeting proper, which starts Thursday — rather than the foreign ministers' conference that started today — will tell whether the moderates' optimism is justified.

Iraq Asks Unity

BEIRUT, Oct. 30 (UPI) — Iraq today called for Arab moderates and radicals at the Baghdad meeting to shelve their differences and forge a common Middle East policy to counter U.S.-backed peace moves.

Iraqi Foreign Minister Sadoun Hammadi made the call for compromise at the opening session of the foreign ministers' conference.

By Judge in New Jersey

## 2 Soviet Spies Sentenced To 50-Year Prison Terms

NEWARK, N.J., Oct. 30 (AP) — Two Soviet citizens convicted of espionage were sentenced to 50 years in prison today by a federal judge who said that the punishment could serve as a deterrent to others.

The defendants were allowed to remain free without bail in the custody of Soviet Ambassador Anatoly Dobrynin, pending appeals, but U.S. District Judge Frederick Lacey restricted their movements, to "secure the nation against the danger to the community these people pose as spies."

They could have been sentenced to life in jail.

At the urging of the federal government, Judge Lacey signed an order limiting the Russians to a section of The Bronx, in New York

City, where the Soviet residential complex is located. He also required them to surrender their drivers' licenses.

U.S. Attorney Robert Del Tufo said that Attorney General Griffin Bell had decided that it was in the interest of foreign policy to allow the Russians to remain out of jail.

Valdick Enger, 39, and Rudolf Chernyayev, 43, were convicted Oct. 13 for their part in a nine-month conspiracy to obtain U.S. military secrets, including plans for anti-submarine warfare.

Witnesses testified at the two-week trial that the two were lured into the scheme by FBI agents investigating the possibility of a network of spies operating from Soviet ships.

Judge Lacey, who formerly served as a U.S. attorney, said after the jury's verdict that Enger and Chernyayev had "demonstrated they held no love for this country and would do everything they could to destroy it."

He had allowed them to remain free pending sentence, however, after Mr. Del Tufo joined in a defense motion for their release in the custody of Mr. Dobrynin.

Judge Lacey had cautioned Enger and Chernyayev not to count on special considerations in sentencing.

"I have never as a judge presided over a case where the evidence of guilt was so overwhelming," he said.

The defendants were accused of conspiring with Soviet diplomat Vladimir Zinzyakin, who was not indicted because he had diplomatic immunity. Mr. Zinzyakin left the United States shortly after the arrests.

Telephone Calls

Testimony showed that Navy Lt. Cmdr. Arthur Lindberg, posing as a traitor, was given money for U.S. defense secrets. He never met his Soviet contact, but dealt through a series of telephone calls and information caches.

FBI agents said they observed the defendants at various drop sites during the conspiracy.

The defendants were arrested May 20 in Woodbridge, N.J., at a drop where Cmdr. Lindberg had left a secret document on anti-submarine warfare.

The Russians' attorneys have said they will appeal.

There has been speculation that Enger and Chernyayev will be swapped for convicted Soviet dissident Anatoli Shcharbaty, who was sentenced in July in the Soviet Union to 13 years at hard labor.

## Leased Duds New Wrinkle in Exec Perks

By Robert D. Hershey Jr.

LONDON, Oct. 30 (NYT) — No longer do you have to be a policeman or football player here to have the boss buy your work clothes. You can be an ordinary businessman, married to three-piece suits, made-to-measure shirts and regimental ties.

In an effort to keep Britain's underpaid, overtaxed managers loyal and well dressed, more than 40 companies have begun to supply them with the latest perquisite wrinkle — the clothes on their backs.

"We're in a bit of a desperate state in this country," said Alec Finch, of Hilditch & Key Ltd., a leading St. James's emporium that has been making shirts for clubmen and other wealthy Englishmen since 1899.

"By the time the British executive has paid his taxes, the poor devil hasn't got much left."

Though some may regard the idea as outdated corporate paternalism or perhaps as the ultimate in capitalist exploitation, it is just another in a long list of "perks" that practical people have been forced to embrace.

Fringe Benefits

Cars, lunch vouchers and interest-free loans have long been a part of postwar British life. More recent additions are yachting weekends, scholarships, second cars, overseas trips, commuters' rail fares and even furniture for your home.

Top British executives seldom earn more than 45 to 50 percent of their U.S. or continental counterparts, and junior managers do even worse. Someone earning \$15,000 is described officially as among the "higher paid." At \$20,000 a year a Briton is in the 50 percent tax bracket and 83 percent of anything over \$48,000 goes straight to the government.

Hilditch & Key, which has formalized the clothes perk, says some 500 companies have expressed interest in the plan it devised in mid-September and that only one of them has decided definitely not to offer it to employees.

Nominal Charge

It works like this. The employer tells senior employees they may go to the shop and pick out, say, \$750 worth of bespoke clothes. This would cover one suit and half a dozen shirts.

The company then buys the articles and leases them to the employee at a nominal 2½ percent a year, or \$18.75.

At the end of the stipulated period, typically two years for

## 3-Piece Suit Joins Company Car As Employer-Paid Fringe in U.K.

"Nowadays, some company somewhere is providing almost anything you can imagine," said one businessman.

Top British executives seldom earn more than 45 to 50 percent of their U.S. or continental counterparts, and junior managers do even worse. Someone earning \$15,000 is described officially as among the "higher paid." At \$20,000 a year a Briton is in the 50 percent tax bracket and 83 percent of anything over \$48,000 goes straight to the government.

Hilditch & Key, which has formalized the clothes perk, says some 500 companies have expressed interest in the plan it devised in mid-September and that only one of them has decided definitely not to offer it to employees.

Nominal Charge

It works like this. The employer tells senior employees they may go to the shop and pick out, say, \$750 worth of bespoke clothes. This would cover one suit and half a dozen shirts.

The company then buys the articles and leases them to the employee at a nominal 2½ percent a year, or \$18.75.

At the end of the stipulated period, typically two years for

suits and one year for other items, the company may take the clothes back and give them to charity, or it may give or sell them to the man who's been wearing them.

In any case, all or most of the cost qualifies as a deductible business expense.

Since the Inland Revenue now assesses clothes at 10 percent of their cost, the employee pays taxes only at this level minus the lease payment, or 7½ percent. Hilditch & Key does all the bookkeeping.

The plan was inspired when Hilditch & Key found an alarming switch in its mix of customers. Ten years ago more than half of them were English but now about 75 percent of them are from abroad — American, West German, French and Arab. This meant not only that there was a less stable base for its business, Mr. Finch said, but shoddily dressed Englishmen hurt the country's reputation for superior tailoring.

System Disliked

"The general run of senior business executives do not wear first-class clothes," said Mr. Finch, 36, who has been in the Jermyn Street shirt trade since he left school.

Despite the widespread adoption of various kinds of perks — corporations now buy about half the cars coming off British production lines — nobody seems to like them.

The unions see them as an unfair advantage for the already better off, economists say they distort the economy, causing too many nonessentials like luxury cars to be made; Inland Revenue's army of more than 85,000 collectors seems always one step behind; sociologists say it creates a nation of "fiddlers" and executives themselves say they are denied a choice of how to spend their income.

"It's wholly pernicious," insists Jan Hildreth, a former executive who heads the Institute of Directors, a body that represents executive interests. "Any other method of payment than cash is inevitably wasteful."

In the case of clothes leasing, there may be still another objection. According to article 4 of a sample three-page agreement drawn up by Hilditch & Key for the use of companies, the employee may find the shirt taken right off his back.

"If the employee shall for any reason whatsoever cease to be employed by the company the hire period shall automatically terminate and the employee shall deliver up the clothing to the company in good condition, fair wear and tear excepted."

## Troop Mutiny Is Reported in South Uganda

NAIROBI, Oct. 30 (UPI) — President Idi Amin was reported today to be fighting a bloody military mutiny in southern Uganda, although the radio in Kampala insisted the battles were against Tanzanian invaders.

The Kenyan newspaper the Daily Nation said the uprising involved a battalion in the city of Mbarara. The rebels were said to have destroyed part of an armored regiment, killing 150 soldiers loyal to Marshal Amin.

The Nation report was published as Uganda continued to issue communiques insisting that a contingent of Tanzanians and dissident Ugandans had invaded the southern region of the country.



## Groups Reported Loyal to Blacks in Coalition

## 'Private Armies' Confuse Rhodesia Scene

By Michael T. Kaufman

**SALISBURY, Rhodesia, Oct. 30 (UPI)** — The confused military situation here has become even more muddled in recent weeks as new armed organizations have sprung up around each of the black leaders who have joined forces with Prime Minister Ian Smith in a transitional coalition government.

The "private armies" are reportedly demanding allegiance for their leaders and extorting supplies and money in parts of the country where rural villagers have for years endured visits and intimidations from either of the two guerrilla armies and from Rhodesian security forces.

Compared with the 8,000 guerrillas who have infiltrated Rhodesia from the foreign-based camps of the two wings of the disunited Patriotic Front, these new forces are quite small, having a total of perhaps 1,500 men under arms. Their emergence, however, has alarmed many blacks and whites, who regard these bands, loyal to individual black leaders, as potential plotters who might thwart or overturn elections.

Mr. Smith yesterday acknowledged that the presence of private armies was worrisome. He pointed out at a news conference that the creation of the groups was a consequence of the secret "safe-return" policy, which, he said, "hasn't gone according to plan, as we would have wished it."

The policy, which is rarely publicly discussed here, has provided for zones where guerrilla units are urged to shed their allegiances to either the Mozambique-based na-

tionist movement of Robert Mugabe or the Zambian-headquartered forces of Joshua Nkomo.

In fact, what appears to have taken place is a competition for the support of these guerrillas by at least two of the black leaders now sharing power here with Mr. Smith: the Rev. Nkomo and Bishop Abel Muzorewa.

Each of these men is reported to have forces numbering 700 men at their disposal. Some are presumably former guerrillas, while others

have returned to Rhodesia after undergoing training in Uganda and Libya. The third member of the coalition, Chief Jeremiah Chirau, is said to have some 50 armed adherents who act as something more than a bodyguard.

The issue of these armies and the threat they pose surfaced last week in a speech by Bishop Muzorewa, the black co-minister of health in the coalition and the publicity secretary of Chief Chirau's political organization, the Zim-

babwe United People's Organization.

Mr. Magaramombe has called on the government to investigate the role of the armies, which he said were furthering violence particularly in the tribal trust areas where most of this country's 6 million blacks live.

## Coups Feared

The danger of military coups, he said, "becomes increasingly imminent with the introduction of private armies, whose sole motive is to enthrone a certain political leader as the ruler of the new Zimbabwe, with or without elections."

He added, "I personally see this as a danger we must dread more than we are afraid of the external terrorists, who will find it impossible to take over this country by armed intervention."

Although everyone here knew which forces the minister had in mind, he pointedly did not name their leaders. Bishop Muzorewa said he had no knowledge of any armed men under his orders abusing anyone. There has been no comment from Mr. Sithole.

There have been persistent accusations from rural blacks that these private armies have been shaking down villagers. The African Farmers Union has issued a statement saying that the units, acting as brigands, "are taking the people's money, they are taking the people's cars." The union asked, "Who has financed these armies? Who has equipped them with weapons?"

The same questions were recently raised in Parliament. A spokesman for the Ministry of Internal Affairs replied that no government funds have gone to the private militias. But the relationship between them and the government security forces remains unclear.

All three local black political groups have outside sources of funding, ranging from conservative Arab interests in the case of Chief Chirau's group to church groups and foreign multinational companies in the cases of Mr. Sithole and Bishop Muzorewa.

## Planned for Next Year

## Black Students Reject Rhodesia Conscript

**SALISBURY, Rhodesia, Oct. 30 (UPI)** — Hundreds of black university students today signed a petition rejecting the government's decision to conscript young Africans into Rhodesia's overstretched armed forces.

At the same time, the government said a record number of whites left Rhodesia last month and the military command announced an escalation of activity on the Zambian border, where a major frontier post came under heavy mortar and rocket fire for the third straight day.

"Our participation in your army is immoral," the students' petition said. "We are in no position to reconcile our conscience with the idea of fighting for a minority government against the majority of our country."

Tens of thousands of blacks are likely to be affected when the government begins conscription next year. Although two-thirds of Rhodesia's army is already black, those African troops are volunteers.

## Danger to Families

"We will not, willingly or under force, expose our families, the majority of whom are in the operational areas, to the dangers of being killed by the nationalist forces because we, their sons, will have turned into class traitors to the cause of the masses of Zimbabwe," the petition said.

On the fighting front, a government spokesman said that the border post at Chirundu on the main Salisbury-Lusaka highway was attacked last night and this morning, after an initial bombardment Saturday, with rockets, mortars, heavy machine guns and small-arms fire, but "security forces neutralized" a Zambian emplacement with return fire.

The increased activity followed Rhodesia's raids into Zambia earlier this month.

Government sources disclosed over the weekend that about 20 guerrillas earlier this month forced an entire township of 1,500 persons to flee their homes at Zimunya on the Mozambique border. They described the bloodless event as the guerrillas' single greatest success in the "hearts-and-minds" battle being waged for the allegiance of the black civilian population of 6 million.

## Soviet Official Ends Thai Talks

**BANGKOK, Oct. 30 (AP)** — Soviet Deputy Foreign Minister Nikolai Firyubin concluded a visit to Southeast Asia today with a pledge that the Soviet Union would support the concept of Southeast Asia as a zone of peace with no interference from foreign powers.

Premier Kriangsak Chammanan said after a meeting with Mr. Firyubin that the Soviet minister had expressed Moscow's desire to establish closer relations with the Association of Southeast Asian Nations, which includes the Philippines, Indonesia and Thailand, the three countries on his itinerary. He did not visit Malaysia and Singapore, the two other ASEAN members.

Mr. Kriangsak said that Mr. Firyubin did not discuss the possibility of holding a Soviet dialogue with ASEAN nations as previously reported.

Meanwhile, statistics showed today that more people emigrated from Rhodesia in September than in any month since the country declared unilateral independence from Britain in 1965. A total of 1,776 persons left the country and 286 immigrants arrived, for a net loss of 1,490, the official monthly digest of statistics showed.

In his news conference yesterday after his return from the United States, Prime Minister Ian Smith said that because the work of drawing up a new constitution to achieve black majority rule had fallen behind schedule, "it would mean the exercise would spill over a few months" beyond the Dec. 31 deadline for independence.

He said that during his visit this month to the United States, the Carter administration had expressed understanding about the delay.

Bishop Abel Muzorewa, one of three black ministers in the Rhodesian interim government, said in London that any postponement of black majority rule in Rhodesia would be "disastrous." He arrived in Britain Saturday for talks with Foreign Secretary David Owen.

## Israel, Egypt Set Renewal Of Talks on Peace Treaty

(Continued from Page 1)

negotiating team at the U.S. peace conference with Egypt, said, "I see no obstacles, really, in getting an agreement."

## 'Feasible and Attainable'

"I still think it is feasible and attainable and we can get it in a very short time," he said at the end of the second of the day's two U.S.-Israeli negotiating sessions.

## 3 Major Unions Join Walkout at Italian Hospitals

**ROME, Oct. 30 (Reuters)** — Hospitals in Italy faced a worsening strike today as auxiliary staff belonging to the three major unions began a 24-hour stoppage. Their action was in sympathy with workers in smaller autonomous unions who have been on strike since rejecting a new contract on Oct. 5.

Striking workers include cleaners, medical auxiliaries, and catering staff. Since the dispute began, patients have had to endure unchanged linen, meals prepared in military field kitchens, and reduced care. Many patients have gone home, and inquiries have started into the deaths of two children, possibly because of the reduced services.

In Naples, patients at one hospital threw food prepared by the army out of the window, complaining it was overcooked and cold. But in Florence, sympathetic patients joined striking staff members in a protest meeting against the authorities. Initial reports from around the country indicated that today's 24-hour strike was being widely observed.

The autonomous workers say that the new contract signed with the government earlier this month reduced overtime pay in exchange for what they see as an inadequate increase in basic rates. They are seeking more pay, more staff, and an end to compulsory overtime.

George Sherman, a State Department official acting as the conference spokesman, said, "I wouldn't disagree with the foreign minister's assessment."

The Egyptian delegation, headed by Defense Minister Kamel Hassan Ali and Mr. Ghali, followed Israel to the State Department for separate talks with Mr. Vance.

Mr. Dayan, accompanied by Israeli Defense Minister Ezer Weizman, had said there was a possibility of three-way talks later in the day — a development considered essential to final approval of a treaty.

The pace of the talks stepped up yesterday after a weekend lull in which the negotiators examined the sensitive issue of the West Bank.

The recent Camp David summit agreed on two frameworks for peace — one providing for an Israeli-Egyptian treaty and the other leading to Palestinian self-rule on the West Bank and Gaza, possibly under Jordanian auspices.

But efforts to link the two issues in the preamble of the treaty have run into trouble, over Israel's insistence of the right of Jews to live in Judea and Samaria — the biblical names for the lands that make up what is now the West Bank.

## 479 Said to Die In India of Virus

**NEW DELHI, Oct. 30 (UPI)** — A virus disease reported in parts of northern India has taken 479 lives in the last month, officials said yesterday.

The disease, suspected to be a type of encephalitis, has killed 445 persons in Uttar Pradesh, India's most populous state, which neighbors New Delhi, state reports said. Unofficial reports, however, placed the toll in Uttar Pradesh at between 1,000 and 2,000.

Twenty-seven persons have died of the disease in the second most populous state, Bihar, officials said. The disease has killed seven persons, mostly children, in the last week in New Delhi, according to press reports.

## U.S. Airliner Dives To Avoid Chutists

**WILMINGTON, Del., Oct. 30 (AP)** — An Allegheny Airlines plane carrying 21 passengers from Washington to Philadelphia was forced to dive sharply yesterday to avoid colliding with a plane dropping sky divers near here, authorities said today.

James Gianotti, the pilot of the propeller-driven airliner, said he had to dive sharply twice to avoid striking the smaller plane. He added that he had received no warning from air traffic controllers that the second plane was in the vicinity.



**TOWER POWER** — The £72 million National Westinghouse Tower in London, which last month won an award from the European Convention for Constructional Steelworks for "a scheme of outstanding merit," is preparing for its first occupants, due to arrive in about six months. The 600-foot building is the tallest structure in Britain.

## Russian Says West's Press Spreads Smut, Violence

**PARIS, Oct. 30 (UPI)** — The Soviet Union said today that freedom of the press in the West means spreading information of violence, propaganda for the arms race, racism, and pornography.

Soviet Deputy Foreign Minister Igor Zakharov denounced "information imperialism" in his speech at the 20th general conference of the United Nations Educational, Scientific and Cultural Organization.

Mr. Zakharov called for passage of a draft declaration on the news media that Western countries regard as infringing on the freedom of the press. The Soviet diplomat complained of "rough and unjustified attacks on Unesco on the part of the so-called 'Western press' and said that it "misinterprets and distorts the idea of a draft declaration on mass media, permitting itself even to make threats" against Unesco.

Mr. Zakharov, who heads the Soviet delegation to the Unesco meeting, said that the Western press has "carried out a crude campaign against this declaration."

## Evidence of Evil

"When you look at it closely, what do you see?" he said. "In these countries exists propaganda of the arms race, violence, racism and pornography . . . in one leading capitalist country, according to U.S. data, there are published 300 pornographic magazines and hundreds of motion pictures."

"There are 300,000 children younger than 12 in the pornography industry. Do you call this freedom of information? Human rights? This press should defend the right of these unfortunate children who do not live long enough to reach the age of 20."

"We are against this sort of thing [the Western press] are always for freedom. Freedom for what? Freedom to trample on people?"

The mass media declaration originally was proposed by the Soviet Union in 1974. It says that governments should supervise news. The current draft before the general conference has been reworded in an effort to meet objections from industrial countries but the United States and others say it is still unacceptable.

"We do not consider the draft declaration completely ideal . . . but we consider it a good compromise among the various points of view," said Mr. Zakharov.

**Censorship Denied**

He denied that the declaration calls for censorship and state control over the media. But he did not read that passage when he delivered his speech.

On Saturday, Finland became the first nation at the conference to ask for a revision of the declaration. Until then, speakers during the general debate had praised the declaration, which has won wide attention, protests, and praise since it was proposed.

The industrial world regards the draft declaration as attempting to impose government control on the news and turn journalists into diplomats following Unesco's policies. The Third World attitude is that the declaration would help them break what they call a monopoly on world news and distortion of it by the rich nations.

**Britain Asks Delay**

[Reuters reported today that Britain urged Unesco to postpone a decision on the draft declaration. But Overseas Development Minister Judith Hart said that the 144-nation organization should seek compromise rather than confrontation. She appealed to Unesco and industrialized countries to do more to help the Third World in promoting literacy, the spread of information, and communications.

[She added, according to Reuters, that a major question the document raises is whether editorial responsibility is only to satisfy the right to be informed or whether the media should take on a broader educational, social, and political role.]

[United Press International quoted West German Foreign Minister Hans-Dietrich Genscher, head of Bonn's delegation, as saying, "We must achieve consensus or we must forgo the declaration."]

**Guinguand to Japan**

**TOKYO, Oct. 30 (Reuters)** — French Foreign Minister Louis de Guingand will pay a four-day visit to Japan starting Nov. 5 for talks with Foreign Minister Sumo Sonoda, it was announced here today.

## In Westinghouse Scandal

## Egypt Probes Allegations That Ex-Aide Was Bribed

By Christopher S. Wren

**CAIRO, Oct. 30 (NYT)** — Egyptian authorities have launched an investigation into the activities of a former deputy prime minister accused of taking more than \$300,000 in bribes from the Westinghouse Corp. of America in return for arranging contracts here.

According to Cairo press reports, the U.S. government notified Premier Mustafa Khalil that Ahmed Sultan, the minister of power and electricity until early this month, allegedly had taken the payoffs in return for awarding two contracts worth at least \$30 million to provide electrical equipment for Egypt's power plants.

The charges come at a time when Mr. Khalil, who has held office for less than a month, is determined to present a fresh image of government honesty and hard work during Egypt's transition to peace. For this reason, he is expected to press the case to a conclusion rather than let it evaporate as sometimes happened in the past.

The same day that he received the reports, Mr. Khalil asked the U.S. ambassador here to forward further details. A statement on Thursday said that he also directed the prosecutor-general and the socialist prosecutor-general to look into the charges. The inclusion of the socialist prosecutor-general is significant because he customarily handles political offenses, which include the abuse of public office to illegally accumulate wealth.

Mr. Sultan, when he was reached by reporters here, denied any wrongdoing and called the bribery allegations unfounded.

Relatively few high public officials have been convicted for bribery in the past despite periodic rumors, but Mr. Sultan seems likely to be made an example if he is convicted. Under Egyptian law, he could not only forfeit the alleged bribes, which have been reckoned at \$322,000, but could also face imprisonment and a heavy fine.

Mr. Sultan was among nearly a score of ministers removed from office early this month after President Anwar Sadat brought in M. Khalil and ordered a Cabinet reshuffle. There was no indication that the charges figured in his removal, since they came to light several weeks later.

## Deal Criticized

But the former deputy premier was already under fire for having negotiated a tentative protocol with the Austrian government in spring that would let the Austria store radioactive waste in the Egyptian desert in return for providing Egypt with technical assistance as a cash donation of a billion schillings — nearly \$70 million. Though the deal was initially all under wraps, it was hailed at critics got wind of it and is being investigated by the People's Assembly.

Mr. Sultan was publicly implicated in the scandal after the U.S. Department of Justice announced Monday that Westinghouse had refused paying off certain Egyptian officials and had agreed to pay heavy fines. Mr. Sultan was subsequently identified as an alleged recipient.

The Westinghouse contracts figured in the case were revealed. The U.S. company's best project in Egypt is the bulk of the nation's first nuclear power reactor on the Mediterranean at Alexandria for use in desalinating projects.

## Soviet Man Walks West

(Continued from Page 1)

Helped by the never-setting sun, he walked day and night sleeping only when forced to.

## Chewed Tea Leaves

Mr. Bublik said he kept a compass course due west. "Like the sun or I had read of who crossed the Atlantic." When he got tired, he chewed tea leaves.

"I got to the border on August 10 if my reckoning is correct. I followed the border for a day and found a spot with just a few lines barbed wire. There I found a drainage pipe leading to a small brook across the border," he said.

Mr. Bublik said he crept in nude through the pipe, dragging clothes and his rucksack in a wad of cloth.

Mr. Bublik, who had planned to cross the border to Finland earlier but thought it too difficult, said wind had foiled an attempt to swim across the Gulf of Bothnia. He abandoned a plan to swim along the Black Sea coast to Turkey because of the heavy guard at borders.

After his arrival in Sweden, he hid on a train to Stockholm, where he turned himself over to police. He said he knew he would have been sent back to the Soviet Union if he had approached Finnish authorities.

## 10 Survivors Of U.S. Plane In Soviet Port

**ADAK, Alaska, Oct. 30 (AP)** — Ten survivors of the crash of a U.S. Navy plane were reported in a Soviet port today in the Soviet Union as the Coast Guard abandons its search for two more men missing in the North Pacific.

State Department officials Washington confirmed that the survivors arrived yesterday in the port of Petropavlovsk, where they had been taken by a Russian trawler that rescued them.

Lt. Peter Wolfe, a Coast Guard spokesman in Juneau, said search for other survivors abandoned after four days because the chances of the two remaining crew members being alive are "most nil" and severe weather grounded search planes. The rest of the crew — 10 survivors and bodies of three others — were picked up by the Soviet trawler, which was on the scene after an appeal from the White House.

The men were aboard a Navy Orion aircraft that ditched Thursday midway between Siberia and the Aleutian Islands after engine trouble. The Coast Guard cutter Jarvis located a life raft on the crash site Saturday, but no one was aboard, the spokesman said.

## Dissidents Hold Hunger Strike In Soviet Camps

**MOSCOW, Oct. 30 (AP)** — Scores of political prisoners, including dissidents Yuri Orlov and Alexander Ginzburg, were reported on a hunger strike today to mark the fourth anniversary of "prisoner of conscience" day.

The one-day hunger strike, dissidents here said, was to protest "the cruel measures, the barbaric treatment" at the labor camps where the prisoners are being held.

Dissident sources here also said that convicted rights activist Anatoli Shcharansky has been transferred to a remote, strict labor camp near the Volga River city of Chibopol.

"Don't worry about me. Nothing has changed in my conditions," Mr. Shcharansky was quoted as writing in a letter received today by his family.

## 1st Bilingual Report Issued by U.S. Panel

**WASHINGTON, Oct. 30 (UPI)** — The first bilingual report of a full congressional hearing was released today by the House Select Committee on Aging.

The report, in English and Spanish, covered the committee's hearings on the needs of the Hispanic elderly. The hearings were conducted March 28 in Miami.

## Food Group Sets Aid

**ROME, Oct. 30 (UPI)** — A committee of the World Food Program has approved food and economic development aid totaling \$172 million, officials of the organization said today. Vietnam will receive the largest grant, \$45 million, for search and development of irrigation programs.

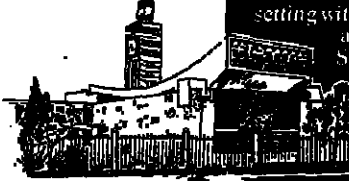
## Make it Mackinlay's



The Five Generations Scotch

## HILTON INTERNATIONAL

For reservations, contact your travel agent, any Hilton hotel or Hilton Reservation Service office in Frankfurt, Geneva, Hamburg, Lisbon, London, Madrid, Paris and Stockholm.



## NAIROBI HILTON

In the center of town, the Hilton is only minutes away from Nairobi National Park. The Ambassador Grill Room offers superb cuisine in an East African setting with music and dancing. The Fava Restaurant and bar offers a relaxing atmosphere. Sip a drink or enjoy a meal in the pool. Take a sauna and massage. Then return to your room for a spectacular panoramic view.



## TAITA HILLS LODGE

At the gateway to Tsavo National Park, Taita Hills Lodge is a departure point for safaris into game-filled virgin bush. Here you will find the height of luxury in the heart of the bush. Spacious bedrooms with baths, one-off East African finest dining rooms, tennis courts, a beautiful pool. Nearby you can see traditional African dancing in an African village and buy locally made crafts.



## SALT LICK LODGE

In the shadow of an African volcano, Salt Lick is a complex of towers roofed in typical African thatch, perched on stilts and connected by bridge-like walkways. Before it lies a natural salt lick where the neighborhood's game come to wallow and be viewed from the lodge. From the terrace, the cocktail lounge and the restaurant, which provides delicious cuisine, you can look down on elephant, buffalo and other species.





Wayne Hays



Allan Howe



Wilbur Mills

### U.S. Voters Seem Unswayed by Charges

## Accused Legislators Make Case at Polls

By Peter Arnett

WILKES-BARRE, Pa., Oct. 30 (AP) — Last time around, they fled Washington and politics, or were ousted.

Wayne Hays gave up after 30 years in Congress and returned to his native Ohio rather than face those who accused him of keeping in seclusion on the congressional payroll.

Wilbur Mills forfeited his chairmanship of the House Ways and Means Committee when he attempted to launch "Fannie Fox, the Argentine bombshell" into movies, and pulled out of the House entirely after admitting to alcoholism.

Allan Howe, a Democratic congressman from Utah, was abandoned by party leaders and voters after being convicted of soliciting an undercover policeman for prostitution.

But this year's crop of Washington scandal-makers are standing

fast and hoping for re-election next week despite the headlines. Their gamble seems to be paying off. Several congressmen who have admitted to, been convicted of, or indicated on various charges seem certain of re-election.

"Wayne Hays' mistake was that he ran away," said Lou Gordon, press aide to one of the most controversial congressmen, Rep. Fredrick Richmond, 54, of New York, who admitted he solicited "with payment of money" sexual relations with a 16-year-old boy and an undercover policeman. Rep. Richmond won last month's primary, and is seen as the likely victor in the general election.

Similarly confident are the backers of Rep. Daniel Flood, 74, the mustachioed, long-term congressman from Pennsylvania's Wyoming Valley, who has been charged with 13 felony counts.

"It's all newspaper talk," said Wilkes-Barre jeweler Bernard Bar-

knowsky, chairman of a "Trust Flood" campaign to raise \$250,000 for his defense. "If he was shady in any way, I would have nothing to do with him," said the jeweler, who brushed aside allegations that the congressman lied under oath, accepted \$65,000 in payoffs and 100 shares of bank stock from eight sources since 1971, and sought another \$100,000 from a developer in his home district.

**Diggs Expects Victory**

Rep. Charles Diggs, D-Mich., the senior black in Congress, was convicted this month on 29 counts of mail fraud and illegally diverting more than \$60,000 of a congressional employee's salary to his personal bills. He faces five years imprisonment on each count and up to \$191,000 in fines, but Diggs expects to be re-elected to his 13th term.

A dozen other legislators are trying to ride out the political firestorms brought about by what many of them perceive as a post-Watergate moral crusade. They include:

- Three Democratic congressmen from California who received House reprimands following the investigation into South Korean influence-buying: Reps. John McFall, Edward Roybal and Charles Wilson.

- Six-term Rep. Joshua Eilberg, D-Pa., indicted on charges of receiving compensation for helping a Philadelphia hospital project obtain federal funds.

- Edward Brooke, R-Mass., the first black senator since 1880, who has been haunted by the fallout from a bitter divorce battle, and has been under investigation by the Senate Ethics Committee. He seems to be the one in the most trouble with voters.

- Six-term Rep. Herbert Burke, R-Fla., who has pleaded guilty to misdemeanor charges of being disorderly and resisting arrest at a Fort Lauderdale bar featuring nude dancers.

Even Wayne Hays is back, this time running for the Ohio Legislature.

While the number of besmirched officials seeking re-election is much higher this year than normal, there are many precedents in U.S. political history. One case often mentioned to show voter tolerance is James Curley, who in 1946 ran for re-election as mayor of Boston from prison, where he was serving time for federal mail fraud. He won and was later released to fulfill his mayoral duties.

Rep. Flood best fits the Curley mold this year, the hometown boy pushed around by the feds. One important factor in Rep. Flood's continued support is that he still delivers. Wilkes-Barre has gotten \$160 million in federal grants within the last few weeks.

**Establishment Backs Richmond**

Similar clout in Congress is seen as one reason Rep. Richmond survived his primary race in Brooklyn even though he was accused of being a child molester. In politics, a morals charge has usually proved fatal, but Rep. Richmond is expected to retain his seat mainly because community leaders saw that his colleagues in Congress and the New York Democratic establishment generally supported him.

"Fred has managed to keep special grants coming into the district, and because of that they can judge him on the totality of his life's work, rather than from just one incident," said his press aide.

The special place these officials occupy in their communities seems to be respected — or feared — by their opponents. Devotee Rickett, a black woman running against Diggs, said: "I am not bearing down on his convictions even though I know any other person so convicted would be in jail now. I figure Diggs will get a sizeable sympathy vote."

**Live Baby Born Of Dead Woman**

LOS ANGELES, Oct. 30 (UPI) — Doctors delivered a live 8-month-old fetus by Caesarian section Saturday from a woman who had died half an hour earlier.

The doctors took a few seconds to remove the fetus and in about 15 minutes the infant was breathing and placed in an incubator. The infant boy was in critical condition yesterday at Martin Luther King Hospital.

Officials said that the mother, Mary Ross, 26, was shot in the forehead Saturday night during an argument with her common-law husband. Fire department medical aides gave the woman emergency treatment at her home and pumped oxygen through a tube to the body cavity holding the fetus, but they were unable to save the woman.

**Julius Shiskin**

WASHINGTON, Oct. 30 (AP) — Julius Shiskin, 66, the commissioner of the Labor Department's Bureau of Labor Statistics, died on Saturday of a kidney ailment.

The agency gathers and interprets statistics that form the basis for the monthly employment situation report, the Consumer Price Index and the Producers (formerly Wholesale) Price Index.

**Argentina Storm Kills 5**

CORDOBA, Argentina, Oct. 30 (Reuters) — Five people were killed and about 100 injured in a storm that hit central Argentina, authorities said today. The deaths occurred in the town of Morone, about 110 miles east of here.

### 3-4 Years of Expensive Abundance Possible

## Glut Held Likely to Cloud Carter's Hard-Won Gas Bill

By J.P. Smith

WASHINGTON, Oct. 30 (WP) — With the ink hardly dry on his hard-fought bill giving natural gas producers higher prices, President Carter is facing an awkward prospect: a natural gas glut.

The glut may be brief — that depends to a certain extent on how the price deregulation law works in practice — but a wide range of experts believes it could be lengthy.

"One of the prospects we seriously face is a natural gas glut," said Jay Kennedy, head of the Electricity Consumers Resource Council, a Washington coalition of major industrial energy users.

At the Energy Department, an administration policymaker said, "We have a gas glut now that could run on for three or four years."

**Description Disputed**

Oil industry executives bristle at the term "glut," particularly because during the debate over the gas bill they had maintained that without higher prices the nation would face a long-term shortage.

"I prefer to call it a bubble," said Bud Lawrence, president of the American Gas Association.

Undeniably, there has been a dramatic change in the gas outlook. Until a few months ago, most gas companies were not allowing new industrial hookups, and as recently as two years ago, papers such as The New York Times and The Washington Post warned that a gas shortage posed a fundamental long-term economic threat.

This dizzying shift from shortage to glut has left consumers — to say nothing of some members of Con-

gress who just finished the often arduous legislative battle — confused.

"This is going to put us back in the marketing posture again," said Mr. Lawrence. A former Exxon executive, Mr. Lawrence added that gas pipeline companies and producers will have to convince industrial customers to reverse their trend of shifting from gas to oil and coal.

More important for the industry, the glut will enable companies such as Exxon, the leading U.S. gas pro-

ducer, to make the most of the higher prices available under the Carter-backed gas bill.

Another critical factor is that, on an energy-equivalent basis, the industry produces more gas each year than it does oil. This also will add to profits.

This, in short, is how the glut came about and how it could continue:

- Because of disparities in regulations, gas prices in unregulated markets within producing states such as Texas had risen to more

than \$2 per 1,000 cubic feet, sometimes \$1 or more higher than in regulated interstate markets. Some producers held back gas, hoping the government would raise prices in the interstate market. In the meantime, many industrial users switched to oil and coal because of high gas prices and insecure supplies.

Higher gas prices under the Carter bill will bring much of those "shut-in" supplies onto the market now, according to Energy Secretary James Schlesinger.

Since the quadrupling of oil prices in 1973, oilmen have drilled more wells and have found more gas in the process, especially in new exploration areas such as the so-called Overthrust Belt in Wyoming. This new production is just beginning to find its way to the market.

Canada and Mexico have made major natural gas discoveries in recent years and are considering the possibility of sharply increasing gas exports to the United States. Canada now provides 5 percent of U.S. gas, and Mexico much less. Some oil experts, however, say that new discoveries in Canada and Mexico could raise that amount to as much as 10 percent if political hurdles can be cleared.

**Ottawa Must Act**

Applications for increased Canadian exports are awaiting approval by Canada's National Energy Board, and a major Mexican gas deal — possibly the first of several — is being delayed because Mr. Schlesinger has balked at pegging

gas prices to heating oil. The price, starting at about \$2.60 per 1,000 cubic feet, would be the highest paid in the world for conventional natural gas flowing across borders.

The major question about how long the glut lasts hinges, largely, on the rate at which industrial users shift to gas.

That, in turn, will be a function of price. The more prices rise, the more industries will turn to alternative fuels and the longer the surplus will last.

### Group Says 18 Senate Candidates Got Illegal Amounts From Unions

WASHINGTON, Oct. 30 (UPI) — The National Right to Work Committee today filed complaints with the Federal Election Commission against 18 Senate candidates for allegedly exceeding contribution limits from organized labor.

The committee said all of the candidates — 17 Democrats and 1 Republican — received thousands of dollars more from the AFL-CIO than the election law's \$5,000 limit on contributions from a single multi-candidate political action committee or groups of such committees controlled by a single source.

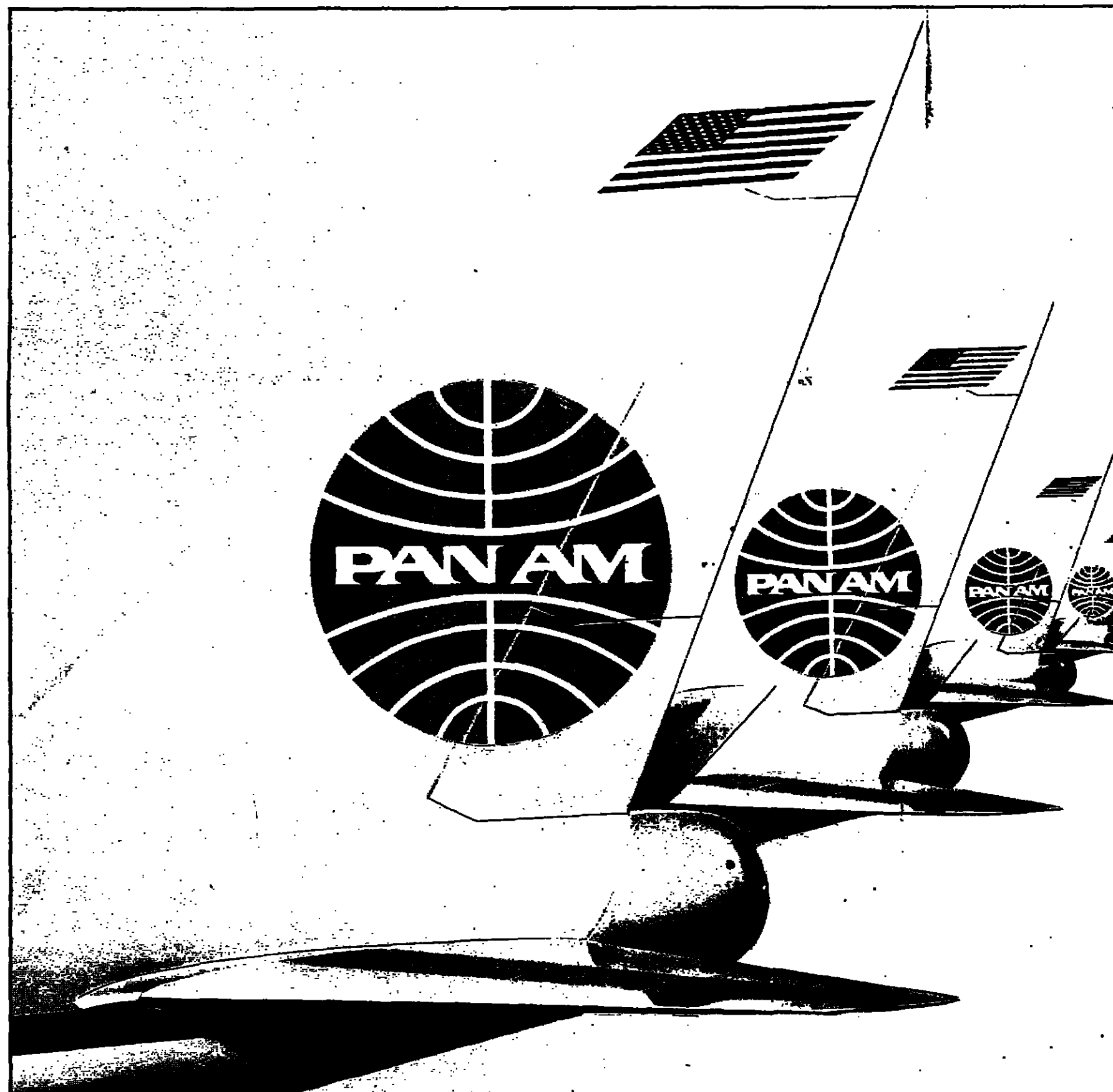
The largest amount cited by the committee was \$93,950 for Sen. Dick Clark, D-Iowa, from 28 groups affiliated with the AFL-CIO.

Sen. Edward Brooke, R-Mass., was the only Republican cited. He was said to have received \$27,700 from 21 AFL-CIO organizations.

Others cited in the complaints were:

- Charles Ravenel, candidate in South Carolina, \$61,000; Sen. Wendell Anderson, D-Minn., \$57,250; Don Barnett, candidate in South Dakota, \$38,100; Rep. Max Baucus, D-Mont., \$54,750; Sen. Joseph Biden, D-Del., \$38,650; Bill Bradley, candidate in New Jersey, \$49,156; and Sen. Floyd Haskell, D-Colo., \$59,825.

- Also, Sen. William Hathaway, D-Maine, \$40,650; Sen. Walter Huddleston, D-Ky., \$22,950; Carl Levin, candidate in Michigan, \$22,250; Andrew Miller, candidate in Virginia, \$22,450; Sen. Claiborne Pell, D-R.I., \$31,250; Sen. Jennings Randolph, D-W.Va., \$60,400; Dr. Bill Roy, candidate in Kansas, \$43,400; Donald Stewart, candidate in Alabama, \$20,400; and Rep. Jim Guy Tucker, D-Ark., \$76,550.

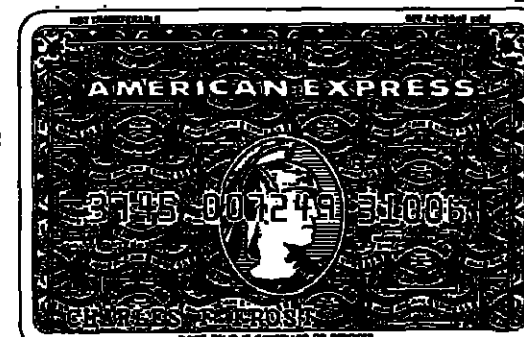


## Buy the world's largest fleet of 747s with the American Express Card.

Pan Am has more 747s than any other airline. So wherever you're flying, the chances are you'll be on one.

And what better way to travel than in the space and comfort that only a Pan Am 747 can offer.

A superb choice of food in Economy. An exclusive upstairs Dining Room if you're flying First Class. Two movies and



music (for a nominal charge). And Pan Am's People to pamper you all the way.

When you're next planning a trip, take the American Express Card along to your nearest Pan Am office, and they'll be only too happy to take care of all your travel arrangements in one single transaction.



The American Express Card. Pan Am's People. Don't leave home without us.



## To Head Off Threatened World Boycott

## Chile Calls Elections in Trade Unions

By Juan de Onis

SANTIAGO, Oct. 30 (NYT) — Chile's military regime has suddenly called elections for trade union leaders to head off the threat of an international boycott against trade with Chile.

The elections, to be held tomorrow for labor delegates representing about 2 million workers, are the first since the armed forces overthrew the leftist government of President Salvador Allende in 1973.

During five years of military rule, unions have been repressed whenever labor disputes have arisen. At the big copper mine at Chuquibambilla, where a protest movement began among the 10,000 workers last month, 72 employees were arrested and military law was imposed to end the demand for wage increases.

Last week, Minister of Interior Sergio Fernandez announced the annulment of seven labor federations, which represent 529 local unions with an estimated membership of more than 300,000 workers, because the leadership was Communist. These leaders have been in their positions since the military took power because no elections were permitted. Many have been arrested and some have been dismissed or gone into exile.

The U.S. labor movement (AFL-CIO), after giving initial support to the Chilean military because of its anti-Communist character, has become more critical of the restriction of labor rights.

## Repression Condemned

After a visit here by Thomas Gleason, leader of the East Coast port workers' and Sol Chalkin, president of the garment workers' — both vice presidents of the AFL-CIO — a report condemned the regime headed by Gen. Augusto Pi-

nochet for "repression of worker rights."

Unemployment is officially 13 percent, and in some major industrial areas, such as Concepcion, it is as high as 20 percent. Salaries have been reduced by more than 25 percent since the military took power.

George Meany, president of the AFL-CIO, sent a letter in August to President Carter saying that, if Chile did not allow workers to exercise their union rights, U.S. unions would support "effective international action" against the regime.

Bishop Resigns  
Episcopalian  
California Post

SAN FRANCISCO, Oct. 30 (UPI) — Bishop Kilmer Myers, 62, of the Episcopal Diocese of California, calling himself a "vulnerable and sinful human being," announced this weekend that he would resign.

Bishop Myers, who underwent a well-publicized treatment for alcoholism last spring, said that he would step down as leader of the more than 40,000 Episcopalians in his diocese as soon as a new bishop is selected, probably early next year.

He said that he planned to spend time working with the U.S. Indians' human rights movement after his resignation.

Bishop Myers, who was the only white priest with Martin Luther King Jr. in the black leader's first Washington, D.C. march, came to California 12 years ago.

U.S. labor sources said this meant that the U.S. unions would back an international boycott against transport of Chilean products, such as perishable fruits and vegetables, or copper, the main export here, or refuse to service Chilean aircraft in U.S. airports. European unions are prepared to join such action, the labor sources said.

## Election Restrictions

The call for elections, announced by Minister of Labor Vasco Costa on Friday, bars all present labor leaders from election. There can be no lists of candidates or campaigning in the work centers. Each worker can vote for two delegates. The total number of union delegates for each factory, bank, or other work center is three.

Any candidate for union office must not have been an active member of a political party for the past 10 years or have run for elective office. The Labor Ministry can annul any election in which the chosen delegates are judged to be political.

Since the armed forces took power, Gen. Pinochet has waged an aggressive campaign against political parties, including the Marxist coalition that backed Mr. Allende, as well as the Christian Democratic Party led by former President Eduardo Frei. All parties are outlawed.

Chile's Roman Catholic bishops have strongly condemned the government's labor policy and particularly the decrees last week that dissolved the major labor federations covering maritime workers, textile and metal workers, and one of three rural worker federations. Their union halls, vacation centers, and other properties were confiscated and the union bank accounts were blocked.



ACTIVISTS BECOME MONKS — Four of 19 activists who recently were granted amnesty by the government in Thailand have become monks at a suburban Bangkok temple. The activists were accused of inciting a riot on Oct. 6, 1976, that led to military takeovers.

## Typhoon Deaths in Philippines Are Reported at 150

MANILA, Oct. 30 (UPI) — The death toll from a typhoon rose to 150 today with reports of 41 more drownings in the worst storm to strike the Philippines in eight years.

Authorities said that 81 persons were injured and 155 were listed as missing.

Officials added that the typhoon displaced more than 600,000 Filipinos and that the typhoon displaced more than 600,000 Filipinos as it cut across the island of Luzon Thursday and Friday with winds of more than 100 mph. It reportedly blew down 12,773 houses and partially damaged 20,218.

President Ferdinand Marcos ordered suspension of rice exports as a result of crop losses. Estimates of damage to crops ranged from \$28 million to \$110 million.

Five provinces were declared disaster areas and Mr. Marcos ordered the suspension of rice exports.

Chinese Sow Wheat In Parched Paddies

TOKYO, Oct. 30 (AP) — A seven-month drought in eastern China's Anhwei province has dried all major reservoirs and small rivers, and peasants are rushing to plant wheat and other dry land crops instead of rice, the Chinese news agency reported today.

It was the third worst drought in Anhwei in 300 years, the agency said.

Implications Important

To observers who regularly listen to propaganda broadcasts from Phnom Penh and Hanoi, such implications are often more important than whether the reported border

## Broadcasts Are Key Weapon

Vietnam, Cambodia Boost  
Radio Propaganda War

By George McArthur

BANGKOK, Oct. 30 — The Cambodian radio started its listeners last week with the news that a new weapon — the automatic crossbow — was being used against the Vietnamese.

The broadcast said that automatic-firing crossbows had been used to defeat a Vietnamese regiment that had crossed the border into the northeastern province of Ratanakiri.

Noting that the Vietnamese had modern Soviet arms, the broadcast said, "We are using our modern weapons (from China) in combination with bamboo stakes, automatic-firing crossbows, traps and poisonous arrows to crush the Vietnamese intruders with efficacy and success." It added that many Vietnamese were hit by poisonous arrows and spears.

Intelligence analysts wondered why the Cambodians were bragging about using crossbows, spears and poisoned arrows. Did it mean that they were suffering from an ammunition shortage and were indirectly signaling their Chinese backers for more help?

One explanation is that the broadcast was aimed at young Vietnamese draftees, many of whom have little stomach for the war with Cambodia. Fighting in the jungles of Ratanakiri, the Vietnamese troops might just find crossbows, spears and poisoned arrows as terrifying as machine guns or rockets.

Implications Important

To observers who regularly listen to propaganda broadcasts from Phnom Penh and Hanoi, such implications are often more important than whether the reported border

skirmish actually took place. Indeed, it is highly likely that the battle never happened, and, if it did, it was almost certainly smaller than Radio Phnom Penh suggested. If the Vietnamese fled in panic, as the broadcast said, they must have recovered quickly, for another battle was reported the next day in roughly the same place.

Both Hanoi and Phnom Penh report several such clashes daily. Radio Phnom Penh says that they take place inside Cambodia, with the intruders being "beaten without compunction." Radio Hanoi places the clashes inside Vietnam and gives the Vietnamese victory.

Very few reports can be verified, although U.S. electronic monitoring sometimes can confirm the battles and pinpoint the time and place. This information comes from intercepted ground radio communications, and U.S. officials are reluctant to talk about it publicly. Privately, some say that such intercepts are not all that revealing.

This leaves the official broadcasts as the major sources of information about the border war.

The outbreak of open conflict, for instance, was telegraphed by Radio Phnom Penh long before the Vietnamese invasion of December, 1977, precipitated the break in relations between the two countries. Phnom Penh did not directly name the Vietnamese, but taunted against "territory-annexing enemies."

Since the one-time Communist allies went to war, the two radio organs have frequently delighted in disclosing secrets of the other side. The first word on new Chinese arms shipments to Cambodia came from Radio Hanoi, while a Phnom Penh broadcast correctly reported recent Soviet shipments to Vietnam.

It was also Radio Hanoi that disclosed the plots and coup attempts now known to have taken place in Cambodia in 1977. The Vietnamese conservatively cited only three such instances. The Cambodians now admit to seven.

Sometimes the radios give mysterious clues. Early last year, experts pondered the recurring reference in Cambodian broadcasts to "enemies of all stripes."

That turned out to be the signal for a major purge in Cambodia of all the veteran Communist Party cadre who had been trained in Vietnam and were tainted by association. It is estimated that about 5,000 were executed.

Sometimes the clues are clearer. Radio Hanoi has recently begun to refer to liberated zones in Cambodia. A defector was quoted recently as saying, "We have quickly embarked on building grass-roots or organizations in the liberated zones."

One of Vietnam's aims may be to help create such liberated zones to justify whatever military action it might take.

Although neither radio has much genuine credibility, Hanoi Radio is generally taken more seriously by outsiders because Hanoi has been at it longer, generally refrains from patently ridiculous claims and is usually more sophisticated and reasonable.

Radio Phnom Penh is given to broadcasting fantastic casualty figures, Stalinist rhetoric about "seething enthusiasm" and unbridled virulence against all things Vietnamese. The output of Radio Phnom Penh has increased measurably in the past year.

Within the past several weeks the intensity of the radio war has created the impression of a new peak of violence in the border war.

The Cambodians have reported widespread Vietnamese attacks — most of which are doubted by Western analysts. The Vietnamese are reporting a wave of insurrection inside Cambodia. Intelligence analysts are also skeptical about that.

The independent intelligence indicates that the actual fighting has not been significant for several weeks. This fall probably will continue until the dry season begins in late November or early December. Then, it is believed, the Vietnamese will begin a new offensive.

The expected arrival of the winter when the dry season arrives is what the radio war now is all about.

Los Angeles Times

## Vietnam Charges

BANGKOK, Oct. 30 (AP) — Vietnam claimed today that Cambodian troops shelled a school in a border town, killing one teacher and wounding six persons. The Vietnamese news agency, monitored here, said that the shelling last Friday killed a teacher in a town in Giang province, west of Ho Chi Minh City, formerly Saigon.

## Vietnam Overflights

## Resumed by Pan Am

BANGKOK, Oct. 30 (AP) — Pan American World Airways starts flights over Vietnam and Laos today, becoming the first U.S. airline since the 1975 Communist takeover of those countries to resume the shortcut route between Bangkok and Hong Kong.

The corridor was reopened to commercial traffic March 23. But the Vietnamese barred flag carriers of the United States, Taiwan and South Korea from using it because those countries lack diplomatic ties with Hanoi. A Pan Am spokesman here said the airline regained access following negotiations with Vietnam.

The route saves 80 minutes and \$1,000 per flight in fuel.

## MD/Chief Executive

## Pharmaceuticals

## Turnover c. £100 million

This is one of the top posts within the UK pharmaceutical industry, entailing complete profit and loss responsibility for a company with a turnover of around £100 million per annum.

Our client has an outstandingly successful record — and possesses the products, people, expertise, finance and determination to achieve further rapid and substantial growth.

To take maximum advantage of these resources — and to plan, create and capitalise upon new opportunities — we seek an MD/Chief Executive with 3 key qualities: an original marketing mind of the highest calibre, decisiveness and strong "teamwork" skills.

Applicants should have a solid background in marketing but will probably now be in general management — either in the UK or overseas. They should be amongst the top few men or women within their current sector of industry.

This should involve fast-moving and/or technically sophisticated, high-volume products in a strongly competitive market situation. Existing experience of the pharmaceutical industry would be of definite advantage, but is by no means essential. Ideal age: 40-45.

An exceptionally attractive remuneration and benefits package will be negotiated individually.

Please write in complete confidence, enclosing a comprehensive and up-to-date curriculum vitae:

**Talentmark**  
Leaders in Health Care Recruitment



Tony Forbes-Leith, Talentmark Limited,  
King House, 5-11 Westbourne Grove,  
London W2 4UA. Phone: 01-229 2266

We are the subsidiary of an American multinational company based near Versailles.  
We require:

A TOP  
SALES MANAGER

to head our phytosanitary department.

- world wide responsibility
- solid commercial experience in pesticides
- proven ability to negotiate at top levels
- fluency in English & French essential and knowledge of Italian and/or Spanish appreciated
- frequent travelling.

Send resume and current compensation to:  
Box D. 1209, Herald Tribune, Paris.



## THE WORLD HEALTH ORGANIZATION

Invites applications for a post of PERSONNEL OFFICER for its Headquarters Central Program in Copenhagen, Upper Volta (700 staff members).

The incumbent of the post will be responsible for the personnel function in the following fields of activity:

- post classification and wage administration
- recruitment, placement and redeployment of staff
- interpretation and administration of rules and regulations, terms of appointment and directives applicable to staff members
- staff development and training.

Applicants should be university graduates, preferably with specialization in public or business administration, and should have several years' responsible experience in the field of personnel administration covering the full range of personnel functions in a large organization. Background experience of general social science principles and wide cultural interests. Excellent knowledge of French with a very good working knowledge of English.

Interested candidates with the required qualifications should write as soon as possible, enclosing a detailed curriculum vitae and quoting reference WH/PS 78/78, to:

World Health Organization, Personnel  
CH-1211 Geneva 27, Switzerland

Only candidates under serious consideration will be contacted.

## INBUCON

International  
Marketing Manager

## AMSTERDAM BASED

To direct, motivate and spearhead the sales and marketing of an internationally famous major brand name product throughout Europe, Africa and the Middle East.

The Marketing Manager, as the prime driving force in Europe, will personally direct the marketing strategies of this product through eleven wholly owned subsidiary companies and some eighty independent distributors. He/she will liaise closely with US corporate headquarters on marketing policy formulation, and he/she answers direct to the Chief Executive in Amsterdam for successful implementation.

Candidates (preferably 30-40), now seeking further career prospects, must be success orientated business men or women with senior sales and marketing experience in fast moving consumer products with a high fashion content, gained in a multi-national environment with in-depth European interests.

Attractive salary negotiable.  
Write in confidence to C. J. Duncan, quoting ref. 7863IHT.

INBUCON  
MANAGEMENT CONSULTANTS LIMITED  
Executive Selection

197 Knightsbridge, London SW7 1RN. Tel: 01-584 6171

## INTERNATIONAL MARKETING

Canadian, 43. Dynamic, seasoned sales executive. Engineering background. 6 years' marketing in S.E. Asia, Middle East. Capital equipment for steel mills, airport, petrochemical, dock yards, road and building construction industries, fire rescue, snow track, mobile clinic vehicles, electrical power, project proposals, contract negotiation. Now in Iran. Available February 1979. For relocation or interesting marketing position. Write: Box D 1,187, International Herald Tribune, Paris.

Senior  
Project  
ControllerSAUDI  
ARABIA

One year term in the first instance: high reward, negotiable.  
A qualified Civil Engineer, strong in Quantity Surveying or a Q/S with planning and control experience, is required urgently for a £12 million project being carried out mainly by sub-contractors. His Arabic and English must both be good — written and spoken. Experience of operations in the Middle East an advantage.  
Though the location is in one of the more temperate areas of the Kingdom, bachelor status would be preferred, in which case several periods of leave, travel paid, would be arranged. Accommodation, meals and car all provided.

Applications, in English and Arabic, giving full details of qualifications and experience, quoting reference SR/396/IHT on both envelope and letter, and stating earliest joining date, should be sent to

**Urwick, Orr & Partners Limited**

Baylis House, Stoke Poges Lane  
Slough SL1 3PF, England

"International  
Executive  
Opportunities"

appears every  
Tuesday,  
Thursday  
& Saturday

To place an advertisement  
contact your nearest  
Herald Tribune  
representative  
or Max Ferrero.

181 Ave. Charles-de-Gaulle,  
92200 Neuilly-sur-Seine.  
Telephone: 747-12-65.  
Telex: 612-832.

Making contact with other Executives  
in Europe

It can be difficult to make the right contact for a new job in Europe. We cannot guarantee results. We can guarantee, however, that an Executives Available advertisement will put you in contact with another 48,500 executive-level international business people. One of them might need an executive with your qualifications.

- 42% are "INTERNATIONAL HERALD TRIBUNE Businessmen."

An "I.H.T. businessman" is an executive with key decision-making power and important purchasing and investment influence within his company.

Contact our offices in your country (listed in Classified Advertisements on back page) or write to:

Max FERRERO, International Herald Tribune,  
181 Ave. Charles-de-Gaulle, 92200 Neuilly.  
Tel: 747-12-65. Telex: 612832.

## MIDDLE EAST &amp; EUROPE

Lebanese, 40, Ph.D. in engineering from U.S.A. Fluent in English, French and Arabic. Extensive experience in management and engineering consultancy with international firms. Presently working freelance and residing in Riyadh, Saudi Arabia, with complete accommodation and office facilities. Travels frequently to Europe and U.S.A. with base in London.

Offering services for managerial position, company representation and PR in the Middle East and/or Europe.

Box 32,304, I.H.T., 103 Kingsway, London, W.C.2.



## Former Vichy Official Is Unrepentant

## Anti-Semite's Interview Stirs French

By Andreas Freund  
PARIS, Oct. 30 (NYT) — The publication here of an interview with Philippe Darquier de Pellepoix, a former Vichy official and anti-Semite of World War II, has stirred a controversy over how to treat this part of the French past.

The interview, published in this week's issue of the magazine L'Express, was with Louis Darquier de Pellepoix, the official in charge of

Jewish affairs under the pro-Nazi Vichy government of Marshal Philippe Petain.

During Darquier de Pellepoix's tenure and under his responsibility, 75,000 French Jews were rounded up and deported to the concentration camps of Eastern Europe, where most of them, men, women and children, died in the gas chambers.

In 1947, after Darquier de Pellepoix took refuge in Spain, a French court pronounced the death penalty on him in absentia. In 1967, that sentence was automatically voided because of France's 20-year statute of limitations on criminal proceedings.

The L'Express interview was conducted by Philippe Gamiel-Raymond, a respected investigative reporter, in the southern Spanish village where the 80-year-old Darquier de Pellepoix resides.

In substance, Darquier de Pellepoix first denied his responsibility in the deportation of Jews, then denied there had been 75,000 and also rejected the commonly accepted figure of 6 million for the number of Jews put to death by the Nazis.

The gas ovens, he asserted, were only used for disinfection and "the killing of lice."

He then asserted the figures were "typically Jewish lies" and charged that the concentration camps were built only after the war for the purposes of "Jewish propaganda" and with a view to "creating disorder everywhere and making Jerusalem into the capital of the world."

He finally defended his anti-Jewish stand by claiming it was "vital" to rid wartime France of "those foreigners, bastards and stateless persons." It was Health Minister Simone Veil, in declarations this morning to the Paris daily Le Matin, who first publicly expressed strong misgivings over the publication of the interview.

Mrs. Veil, No. 3 in the Cabinet of Prime Minister Raymond Barre, is Jewish. She was deported to Auschwitz as a 14-year-old and there lost most of her family.

## Danger of Resurgence

Mrs. Veil said she was preoccupied by the fact that reading "troublingly" about racism and racism could blurt the nation against the persisting danger of a resurgence of this dark side of the past.

She pointed to the periodic desecration of Jewish cemeteries as well as racism with regard to immigrant Arab workers.

Henry Bulwicz, a prominent spokesman for former Jewish deportees, regretted that L'Express had not illustrated its interview with telling photographs of extermination camps and otherwise made much more explicit its editorial condemnation of the interviewee and his ideas.

In Le Monde, editorialist Pierre Vianou-Ponte charged that the interview would serve a current "campaign for the rehabilitation of Nazism" in Europe.

A spokesman for L'Express later firmly rejected such charges. He said the interview made clear L'Express' position of absolute hostility to anti-Semitism.

## Publishers' Office Is Bombed in Milan

MILAN, Oct. 30 (AP) — A gang of armed extremists exploded a bomb in the offices of the Italian Newspaper Publishers Association today, but authorities said no one was injured.

Police said four masked men armed with pistols and a sawed-off shotgun broke into the third-floor office of the association and herded seven employees into a room. They pulled out telephone cords, sprayed paint on a wall the words "Armed Proletariat" and set off the bomb, which was placed down the hallway from where the employees were sequestered.



NO POLITICAL COMMENT — Pavel Kohout, a Czechoslovakian playwright and a signatory to the Charter 77 human rights manifesto, enters a Vienna theater where his play "America" is being performed. He obtained a visa from his government and has said that he will make no political statement while traveling in Western Europe and the United States.

## 2 to Be Chosen for 1981 Mission

## 5 Train for U.S.-European Space Flight

PARIS, Oct. 30 (Reuters) — Five European and U.S. scientists today began a training course at European scientific centers to prepare for the first joint-manned U.S.-European space flight, scheduled for mid-1981.

Only one American and one European will be selected for the space flight, Michel Biglieri, director of the European Space Agency, said. The other three will act as replacements and participate in ground-based mission activities.

during the flight, he said. The names of the two specialists who will go into space will be announced early in 1981.

The three Europeans are Ulf Merbold, 37, a West German research scientist; Claude Nicollier, 34, a Swiss pilot and astronomer; and Wubbo Ockels, 32, a Dutch physicist.

## Two Americans

The Americans are Michael Lampton, 37, a member of the University of California's Space Sciences Laboratory, and Byron Lichtenberg, 39, of the Massachusetts Institute of Technology.

The \$12 million craft, the Spacelab-1, was developed by ESA, and it is the first orbiting laboratory in which scientists, engineers, and technicians rather than astro-

nauts will conduct experiments in orbit. It will be launched by the U.S. National Aeronautics and Space Administration.

A total of 76 experiments, including medical research, earth observation, and life sciences, will be conducted on the seven-day mission.

Member countries of ESA are Belgium, Denmark, France, West Germany, Ireland, Italy, the Netherlands, Spain, Sweden, Switzerland, and the United Kingdom.

## Chinese End Prohibition on Having a Ball

BELGRADE, Oct. 30 (AP) — Formal social dancing will be "rehabilitated" in Peking soon, ending a 15-year ban, a Yugoslav report from the Chinese capital said yesterday.

Quoting a brief announcement addressed to foreigners in Peking by the International Club there, the Tanjug news agency said a ball is being organized "at the request of dance lovers." Admission will be 5 yuan (about \$2.60) per person.

Tanjung said dancing in restaurants and parties in China was abolished at the start of the Cultural Revolution of the mid-1960s because it was deemed a "bourgeois custom" harmful to youth.

## Gromyko, Arafat Confer in Moscow

MOSCOW, Oct. 30 (AP) — Soviet Foreign Minister Andrei Gromyko received Yasser Arafat, leader of the Palestine Liberation Organization, in the Kremlin today "in an atmosphere of cordiality and mutual understanding," Tass reported.

The two men talked about "the Middle East situation and objectives of struggle for a just solution of the Palestinian problem within the framework of a comprehensive Middle East settlement," the news agency said.

## Too Few Doctors

## U.S. Military Health Care Called Dangerously Poor

By Ted Gup and George C. Wilson

WASHINGTON, Oct. 30 (WP) — The military health care program for 9.2 million persons is gravely ill and may never get well.

Military doctors say they are so understaffed and overworked that the care provided many patients amounts to medical malpractice.

Pentagon officials, acknowledging the problem, say there simply are not enough military doctors and no sure way to recruit more with a volunteer army.

"Military health care hangs on the precarious edge of disaster," warned the Association of U.S. Army, a private group with a strong membership of retired military people.

The military spent \$3.3 billion on health care in fiscal 1978, but interviews with doctors, active and retired service persons and their dependents indicate dissatisfaction, even alarm, over the quality of that care.

Doctors say they cannot keep up with demand and some quit the military at the first opportunity.

"We're being forced into malpractice," said an Army radiologist.

A cardiologist who runs the heart center at an Army hospital and the intensive care and coronary care units as well, said that he sees so many patients in one day that at night, "I lay in bed and worry about whether I could possibly have been right about all those cases."

Military leaders are resorting to desperate measures to try to fill the gaps in the medical ranks. Doctors say this often results in dangerous match-ups of skills and requirements.

At the same time, the military is spending millions of dollars to hire civilian doctors to work at military hospitals.

Fort Benning, Ga., for example, recently hired four civilian radiologists at \$100,000 a year each to work at the base hospital. These radiologists work for an Army doctor who receives about one third their salary.

Many civilian doctors hired by military commanders, military physicians said, are graduates of foreign medical schools who might have trouble getting jobs at community hospitals because of gaps in their training.

Dependents of military people frequently must travel miles and wait hours for medical treatment. The problem is especially acute at bases located far from major cities.

Even in the Washington area, military dependents complained

that medical care is a frustrating experience. The wife of a Navy enlisted man living in the Maryland suburbs said: "At three different Navy bases in Virginia, Florida and Maryland over the last five years, I found I had to wait from one to three hours to see a doctor for 15 minutes. If I got to see him at all instead of a corpsman or a paramedic."

"Once I got to see the military doctor, I was usually sent to another military doctor who had the required specialty — meaning waiting all over again."

"I deny the existence of a crisis, but concede we've got a serious problem," said Vernon McKenzie, acting assistant secretary of defense for health affairs.

Two members of the House Armed Services Committee, Reps. Samuel Stratton, D-N.Y., and Robin Beard, R-Tenn., have criticized Mr. McKenzie and other Pentagon officials for not taking the problem more seriously.

"I talk to surgeons general behind closed doors and they get emotional," Rep. Beard told Charles Duncan Jr., deputy secretary of defense, at a recent House Armed Services subcommittee hearing where the congressman relayed the results of his interviews with military doctors. "They say it's critical. But then when you come over here it's: 'We're going to solve this problem by the early 1980s.' I just think it's time somebody starts getting emotional."

## ILO Asks Tests On Carcinogens

GENEVA, Oct. 30 (AP) — As many as 40 "practically indispensable" chemicals and compounds used in today's industry can cause cancer, the International Labor Organization said in a report today.

Among substances incorporating one or more of these, it said, are tar — which may give rise to cancer of the skin and lung — soot, asbestos and chromium. The report called on ILO member states to introduce laws for the mandatory testing of all chemical substances suspected of causing cancer.

It said occupational cancer, caused by prolonged exposure to a dangerous substance, can be contracted either by inhaling vapors and dusts, by accidental splashes piercing the skin, or even by a worker not washing his hands after handling such a substance, the report said.

## U.S. Says Cuba Receives First Supplies of MiG-23

WASHINGTON, Oct. 30 (UPI) — The Soviet Union this month delivered to Cuba the first MiG-23 jet fighter-bombers, thereby upgrading President Fidel Castro's air force, government sources said today.

They said that an undetermined number of MiG-23s arrived in Cuba early this month aboard a Soviet freighter.

It is not known yet whether the planes are already operational in the Cuban Air Force, the sources said. Until now, the MiG-23 has been flown only by the Soviet Air Force, Russia's Warsaw Pact allies and certain Soviet arms clients in the Middle East.

An extended-range version of the 5-year-old MiG-23, known among intelligence analysts as the MiG-27, is a Communist tactical ground-attack bomber believed designed to carry nuclear weapons. But analysts here believe that any planes supplied to Cuba would be the older version, classed as an "air superiority" fighter and recently judged most useful to the Cubans as a means of air defense weapon.

Until now, the most modern aircraft in the Cuban inventory has been the MiG-21 interceptor.

Soviet pilots are known to be in Cuba on a regular basis and have flown missions as instructors in the past. Sources here said that it was not known whether any Cuban pilots have yet received training to fly the MiG-23.

The Soviet freighter that brought the planes carried them disassembled in crates, the sources said.

Range and Load

"Stationing of the MiG-23 in Europe caused U.S. military officials to express concern about Soviet modernization programs that have increased the range and weapons loads their aircraft can carry."

Defense Secretary Harold Brown earlier this year testified in Congress that the MiG-23 — code named the Flogger by NATO — was among Soviet planes that have increased capabilities. He said that the planes were judged to be a match for U.S. first-line fighters like the F-15 Eagle.

## What can a country depend on that has neither oil nor iron ore nor coal nor uranium nor mercury nor tin nor gold?

## Cheeeese.

Switzerland is not even poor in natural resources, it's a raw material have-naught. And it's an old story that anyone without raw materials has to make up for it in the service sector.

The most important source of income for Switzerland is the tourist trade. For that, you start by learning to be punctual, hard-working, a linguist, accommodating, helpful, hospitable, and even jolly.

You learn to cook, act as a host, look after your guests, give them the feeling of

feeling at home. (Only a guest who feels at home will come back.)

One generation passes on to the next what it has learned in serving its patients; and one service sector to another. Nothing else would do: hotelkeepers learn from restaurants and vice versa, travel organizations from both and vice versa.

We of Swissair have been saying something to the effect that Switzerland has nothing below ground, so it has to try harder above ground.

Swissair is buying the newest planes (we shall shortly be getting two more DC-10s, two B-747s, and fifteen new DO-900s).

So we keep trying to add new destinations (the most recent ones: Porto in Portugal, Annaba in Algeria, and Jordan in Saudi Arabia).

So Swissair has long had "through checking" and the PARS electronic reservations system. On fly-and-drive — hire a car for your point of arrival while buy-

ing your ticket. And on advance notice there is special food (lots of all sorts, vegetarian menus, children's or baby food). First-class compartments even on the shortest flights.

What else are we to do? That's how we were taught, and we want to keep it that way.

With a smile.

SWISSAIR



## The Stake in Zimbabwe

Prime Minister Ian Smith's announcement that elections in Rhodesia — the elections that were to mark a major stage of the turnover of power to the black majority — will probably be postponed, comes as no surprise to those who never trusted Smith, the man who initially blocked the emergence of Zimbabwe as a black version of white-ruled Rhodesia. Nor, for that matter, will it be startling to those who believed that the black guerrillas of the Patriotic Front, those who ruled out a black-white confrontation except on the battlefield, would prevent any rational approach to the Rhodesian problem.

For it is never easy to carry on an election while war rages around the polls, especially when it is a war of secrecy and surprise. Moreover, each day in which the Patriotic Front and the Salisbury government trade off raids and massacres adds to the problem; reading about the Reconstruction period in the United States after the Civil War can easily confirm that.

But it is not only the Rhodesian regime who will surely find it hard to push the concept of Zimbabwe as the internal struggle sharpens — for the blacks, whites and in-betweeners are facing issues of property ownership, management, education, social, economic and political relations, stemming not only from white colonization but from older tribal wars. The longer some form of genu-

inely majority rule is delayed, the more exacerbating racial, tribal, personal and political ambitions will become.

And then there are the African states that are Rhodesia's neighbors, especially the "front-line" countries that have generally supported the Patriotic Front and looked coldly on efforts by the United States and Great Britain, no less than by Mr. Smith, to achieve a negotiated settlement. There are, after the years of frontier war, or raids across the frontiers, many strains even among the front-liners.

Zambia has agreed to open its frontier with Rhodesia; a summit meeting was held but nothing emerged except "an atmosphere of frank cordiality." Given the internal tensions of black Africa, this item of disension is something Africans could well do without — Uganda's odd ruler has been charging Tanzania with an invasion that other African sources say is really an attack by Ugandan enemies of Idi Amin.

In any case, the Rhodesian tangle can certainly not be viewed as a struggle in isolation among blacks and whites. Even in that aspect it is having an impact upon South Africa and Namibia; in the black nations' support for guerrillas it is matched in too many parts of the continent: in the need for an early, peaceful settlement it represents powerful global need.

### Other U.S. Opinion

#### The Price of Pride

The dollar isn't what it used to be, but it is still worth thinking about. Or should be.

Two chess players meet in the Philippines to decide the world championship. The purse is \$550,000. They play for 92 days, and the purse is closer to \$700,000. The reason is that the money was invested in Swiss francs when they started to play. The franc went up. The dollar went down.

President Carter outlines a program to curb inflation with voluntary wage and price guidelines. No sooner is he off the television screen than the dollar hits a new low on the Tokyo money exchange.

A visitor from Europe asks, over lunch, why Americans seem to care so little about the value of their dollar when the people of Europe care so deeply, and worry so much about how it affects their lives. It is clear from the tone of voice that the real question is: "Have you no pride?"

It is a good question, and there are no good clean answers. Obviously, part of the reason is that the United States is so strong that Americans do not think of themselves as being vulnerable to some money changer thousands of miles away. It is not so much isolationism as insulation.

Another part of the answer is that government officials do not seem alarmed, and Americans tend to take their cues from Washington on big, mysterious problems, such as the dollar. A federal economist explains that the dollar is being driven down by speculators who are, at heart, no different from the gamblers at a Las Vegas table, calling for one more card. The people at the table do not gamble on the economic health of the casino, but only on the next card — and so it is, he says, with the money traders.

Surely, part of the answer is that the picture is confusing. Another economist says the dollar is dropping in value because the United States, in effect, has scattered about \$400 billion worth of IOUs around the world in foreign banks and foreign-based multinational corporations. It is adding IOUs at the rate of \$18 billion this year because it is importing oil and cars and other goods that are worth more than its exports. There is a glut of dollars, or IOUs, in foreign banks, and that makes the people holding them nervous.

But the two explanations finally converge. The government economist, trying to illustrate how little there is to worry about and how capricious the dollar market is, points out that the dollar would be stronger if the United States had a recession. Why? Because imports would go down. That is the rub.

Every time someone in the United States turns on an auto ignition key, oil imports go up, the balance of trade tilts further against the country, the dollar drops in value, gasoline costs more.

As the dollar drops in value, foreign car companies charge more for the automobiles that they ship to the United States. When those prices go up, the prices of U.S. cars go up.

That is the inflationary pattern that the

president is trying to break with his program of wage and price guidelines. It is the pattern that he was trying to break with his original energy program, which was designed to reduce oil imports to a point where U.S. exports would come closer to balancing the value of its imports.

Financial technicians can tinker with the world economy and spare the dollar from some further slippage with changes in interest rates or the purchase of excess dollars to reduce the glut. But, for the long pull, only a reduction in the rate of U.S. inflation and a determined conservation effort to hold down oil imports will stop the damage.

Not only money is involved. The European visitor's unspoken question is valid. It is a matter of pride, a matter of this country's prestige and authority in the world.

It makes us wish that there were fewer people rummaging around in the president's proposals looking for loopholes, and more of them looking for ways to make the plan — or something like it — work.

— From the Los Angeles Times.

#### Mission to Japan

The largest U.S. trade mission ever to visit Japan has returned, and judging by the results we are either going to have to reincarnate Commodore Perry or send a lot more missions before there is any significant opening-up of that country to U.S. goods.

Indeed, a delegation of 20 to 50 U.S. congressmen, which also is likely to be the largest delegation of its kind, will visit Japan later this year with that objective in mind.

According to the U.S. Commerce Department, which shepherded the hopeful businessmen, about half of the 68 companies taking part in the trade mission developed "good prospects" and 17 of them concluded contracts with Japanese firms. However, the other half were unsuccessful in their attempts to sell their products.

To hear the Japanese tell it, the Americans aren't really trying very hard. For example, only one of the companies on the mission bothered to print a sales brochure in Japanese.

Shortly before the trip, the quasi-governmental Japan External Trade Organization released a report showing that since 1970 the U.S. share of the Japanese market has declined across the board while the share of European and developing countries has increased. Japan racked up a \$14-billion surplus over its worldwide trading partners last year and probably will exceed that figure this year.

Out of five million color-television sets sold in Japan in 1976, only 452 were imported — and this small number wasn't due to the fact that the foreign-made TVs couldn't pick up Japanese-language broadcasts.

Not until the Japanese begin to relax their complex system of tariffs, quotas, rules and regulations which artificially excludes foreign goods will U.S. companies be able to make a real effort to crack the Japanese market.

— From the Pittsburgh Press.

### In the International Edition

#### Seventy-Five Years Ago October 31, 1903

NEW YORK — The New York Herald commented in an editorial: "Five hundred and thirty-eight persons killed in the streets of New York! What a shock it would be to read of such mortality in riot or battle! Yet that is the number of persons slain in our city streets last year by vehicles and railway cars, and the killings for the current year will probably be even higher. Traffic must be regulated and this slaughter must cease. More police must be available to enforce order at the crossings, and delivery wagons must not stand unattended in the street."

#### Fifty Years Ago October 31, 1928

PARIS — The move to readjust Germany's debt to the nations that were Allies in the Great War of 1914-18 is gaining in force. Yet Germany's external debt remains a crushing weight — not so crushing indeed that with frugality and a high sense of honor it might not in sixty-two years be able to discharge it, but a dead burden, nevertheless, and a cause of persistent irritation for its people and consequently for international relations. The present change of sentiment, in the spirit of the Locarno agreements, must have a profound significance.



## Lost Ground in Namibia

By Tom Wicker

LONDON — No wonder the South-West Africa People's Organization and the front-line African states have so far rejected the Western "compromise" with South Africa on independence for Namibia. They are being asked to accept a much less promising arrangement than South Africa had agreed to just a few months ago, and one that will not necessarily lead to independence at all.

British sources reluctantly concede that analysis. They say that the agreement negotiated by five Western foreign ministers with South Africa's tough new prime minister, P. W. Botha, at least "kept open the door" to an internationally acceptable settlement. But they add that such a settlement was by no means "guaranteed."

On the other hand, the British insist, the latest arrangement is the best that could have been worked out after Botha's predecessor, John Vorster — who may have fallen on the Namibian issue — abruptly canceled the first independence plan. It called for United Nations-supervised elections next year in Namibia (called South-West Africa in Pretoria, which has had working control of the huge territory since World War I).

Just before stepping down, Vorster publicly repudiated the U.N. plan and announced that South Africa would conduct its own internal elections in Namibia in December. The nationalist SWAPO will not compete in such an election, which will be held under the Democratic Turnhalle Alliance (DTA), a conservative party closely linked to South Africa and including most of Namibia's white settlers.

U.S. Secretary of State Cyrus R. Vance, Foreign Minister David Owen of Britain and their counterparts from Canada, France and West Germany — the group that proposed the original plan — went to South Africa to salvage what they could of it. They did not really expect to get Botha to reverse Vorster, but hoped to keep alive the possibility of an internationally acceptable independence procedure in which SWAPO could participate.

What they got, after three days of hard bargaining, was confirmation that South Africa would insist on its internal elections in December, with the inevitable DTA victory — but also agreement for the U.N. to proceed with its internationally supervised election. As it is understood here, the compromise specifically includes South African intent to have the DTA compete in the U.N. elections only as a political party, not as a Namibian government, and to accept the outcome.

It's probably true that winning the December elections would give the DTA additional prestige for the contest with SWAPO. But British sources believe that South Africa's acceptance of this compromise signals Pretoria's continuing, if grudging, interest in an internationally acceptable solution. In this view, strong white resistance in Namibia to the original plan had swung the South African Cabinet against it at about the same time Vorster decided to resign for reasons of health.

This may be tinged with wishful thinking. Some South African sources believe that a SWAPO government in Namibia never has been acceptable to Pretoria, which regards the organization as being Communist and fears it would let its vast territory be used as a sanctuary for guerrillas attacking South Africa. In this view, the original plan for U.N. elections was accepted only because it was believed SWAPO feared losing an election too much to take part. When the front-line states, notably Angola, persuaded SWAPO to

participate, these sources suggest, the dismayed South Africans seized on the U.N. plan to send 7,500 troops to Namibia as a pretext for canceling the arrangement. Vorster was blamed for the embarrassment. In poor health anyway, he resigned after repudiating the U.N. plan.

If that analysis — not shared in the British Foreign Office — is accurate, there would be little point in holding the U.N. elections, since the DTA victors in the December internal voting probably would form their own Namibian government, with which SWAPO would have nothing to do.

Even if South Africa does not mean for that to happen — and British sources believe Pretoria can largely control the DTA through the South African administrator-general in Namibia — SWAPO may not want to enter into elections against a party that already

will have won a national canvass, however limited, and that may therefore make some claim to being the real representative of the Namibian people. Besides, many SWAPO leaders have long been outside the territory and might have difficulty contesting a strongly financed and entrenched opposition party.

This time, moreover, the front-line states — even if they accept Western arguments for the compromise — may not be able to persuade SWAPO to accept less than everyone thought had been achieved last summer. The prospect, therefore, is for heavy African pressures for economic sanctions against South Africa — sanctions that the West probably cannot agree to, thus losing much political ground in Africa that the aborted Namibian settlement once seemed to have gained for it.

## Iran: A View from the Mosque

By Joseph Kraft

QUM, Iran — The wave of Islamic fundamentalism sweeping the Moslem world from Indonesia to Senegal finds its salient point in Iran. In this country, the center of attention is Qum, a holy city about a 100 miles southwest of Tehran.

The local religious leader, Ayatollah Shariat-Madani, is the foremost figure in the opposition movement, which is challenging, and even threatening to topple, the Shah of Iran. I visited him here in Qum the other day, in the company of an Iranian friend who acted as interpreter.

After those claims had been staked, I started to test him with specific questions. I first asked what kind of regime Ayatollah Shariat-Madani envisaged for Iran. He referred me back to the constitution of 1906 which provided for a monarchy with a parliament that made laws subject to review by a five-man religious council. "The council," His Holiness said, "would reject all laws which it found repugnant to Islam, or at odds with the

principles of justice, or against the public interest." If the five were divided, the decision would be made by the supreme religious leader in the country — namely himself.

I asked what kind of behavior would be repugnant to Islam. He cited the use of alcoholic beverages, gambling and illegitimate sex, which he defined as relations between men and women under 20 who were not married. I asked where he stood on the education of women. He said: "We are not against the education of women, but we do not favor coeducation. We want to separate the school of learning from the school of flirtation. We know that in coeducational schools there is a corruption of values which shows up eventually in police records."

Against Abortion. I asked about abortion and birth control. "Abortion," he said, "is murder and therefore is not permitted." As to birth control, it would

be admitted in very small, crowded countries. But that was not applicable here in Iran, even the huge young population — percent under 18 years old — created terrible problems of education, employment and "Procreation," he said, "is free except where there is a peculiar problem. In Iran, there is no such problem."

He went on to make the point that a culture had to be grasped as a whole, and that it was wrong not to ask about particular issues without taking into account the whole context. "In your country," he said, "it would not seem possible to have a banking system without charging interest. But in Islam it is quite feasible."

Fifth Column. Earlier, in talking about the lying of youth to religion for sons of justice, he said that he offered equality to all. So I asked him about the treatment of religious minorities. He said: "Christians, Jews, Zoroastrians and others in Bahai are all equal before us. Unless they become a fifth column working for interests outside the country. For instance, if they would be accepted as Jews, they would be considered as traitors."

All during our talk he believed in coming in, kneeling by His Holiness, and pressing petitions money upon him. I came from the rich texture of religion, and its power to sway people. But I wonder. Does the mosque all the right view for running a country of 35 million people, strategically located and with oil resources important to the whole world?

Y. SHARIF.

## The Fourth Estate: Who Coined Phrase?

By William Safire

WASHINGTON — As a card-carrying controversialist — a man convinced that testiness is next to godliness — I usually know when I am about to get into a scrap. But that was not the case on the subject of "The Fourth Estate."

In a piece not long ago about the injustice being perpetrated on my colleague, Myron Farber, I wrote in passing that the phrase "Fourth Estate" had been coined in regard to the press by English essayist William Hazlitt, writing about my vintner-hero, pamphleteer William Cobbett.

This incurred the wrath of the quotation-mongers. How dare I attribute that hallowed phrase to Hazlitt! "I fear that Safire may have been dazzled by a druid on his recent tour of England," writes a newsmen to the Washington Star, pointing to a stack of the leading quotation books who attribute this phrase otherwise. I have read all those quotation books, and they are all wrong.

"What Eye?"

"Barlett's Quotations," 14th Edition, quotes English historian Thomas Carlyle as writing in 1832 about "the stupendous fourth estate, whose wide world-embracing influences what eye can take in?" In 1841, Carlyle used the phrase again and gave everybody a wrong steer to conservative Edmund Burke. "Burke said there were Three Estates in Parliament; but, there sat a Fourth Estate more important far than they all."

In a footnote, Barlett's seems to gently contradict Carlyle's memory, citing a comment made by Lord Macaulay in 1828: "The gallery in which the reporters sit has become a Fourth Estate of the Realm."

Bergen Evans, in his "Dictionary of Quotations" — the one with the superb index — comes right out and says "Carlyle picked up the term and mis-attributed it to Burke." The most comprehensive quotation book of all, and the one I cannot do without — Stevenson's "Home Book of Proverbs, Maxims and Famous Phrases" says of Carlyle's quote: "The attribution to Burke instead of Macaulay was probably a slip of the pen, as the phrase has not been found in Burke's published works."

Burke Buys

Burke buys have been coming his works for years, looking for the absent phrase that Carlyle, in his sloppiness, promised them. Results: zero. In 18th Century England, the three "estates" were the King, the Clergy, and the Commons; many citizens can be found in Henry Fielding and others using Fourth Estate to mean "the mob" but none to mean "the press."

And so the coinage seemed to stand, with the quotation books nervously attributing the phrase to Macaulay, based on a probable mistake by Carlyle. Not a very solid footing, especially since the Ox-

ford English Dictionary found use in 1823 by Lord Brougham speaking in the House of Commons: that great dictionary the phrase "at that time was a, as original."

So there I sat, perusing Will Hazlitt as it may well, on the character of William Cobbett. "One has no notion of him as making use of a fine pen," wrote the great style about the angry journalist, "but great mutton-fist; his style stuns readers. . . he is too much for a single newspaper antagonist; 'a waste' a city orator or Member of Parliament, and bears hard on the government itself. He is a kind of Fourth Estate in the politics of the country."

That was written in 1821, in a publication "Table Talk," 10 years before Lord Brougham, and over a decade before Carlyle began using the phrase. That, to my mind, makes Hazlitt the coiner.

Some people cannot accept it. "To coin terms was not his style," writes David Brunst of Washington. . . by italicizing the word he declaimed authorship and responsibility for them. . . In his say "On Familiar Style," Hazlitt rejected not only all unmanly pomp, but all low, cant phrases, loose, unconnected, slipshod illusions. . .

Okay

Okay. Maybe Hazlitt heard household mumble: "Fou Estate, the damn press." But fact remains that Hazlitt wrote down, and his is the first written record of the use of this phrase this meaning anywhere. Or at least anywhere that anybody has found.

The point here is not to for quotation-book, haggle, or even undermine our institutions received wisdom. Rather, the notion is to open up the possibility that sometimes "everybody" can be wrong. Indeed, I have the que feeling that somebody out there going to send in a citation anteing Hazlitt.

To challenge the conventional wisdom; to upset and offend orderly-minded; to have fun; fundamentals; to stick it to the sn up, and to hand back author handouts — isn't that what Hazlitt and the others meant by "Fo Estate?"

The International Herald Tribune welcomes letters from readers. Short letters have a better chance of being published. All letters are subject to condensation for space reasons. Anonymous letters will not be considered; publication. Writers may sign with initials but preference will be given to those fully signed. Hearing the writer's comment cannot acknowledge letters to the editor.

INTERNATIONAL  
**Herald Tribune**  
Published with The New York Times and The Washington Post  
Chairman: John Hay Whitney  
Co-Chairman: Katharine Graham, Arthur Ochs Sulzberger  
Publisher: Robert R. Eckart  
Editor: Murray M. Weiss  
Managing Editor: William R. Holden  
Daily except Sunday  
In U.S.A.: Subscription price \$25.00 yearly  
Second class postage paid at Long Island City, N.Y. 11101  
Postmaster: Please send address changes to International Herald Tribune, P.O. Box 518, Long Island City, N.Y. 11101  
Consentation Postage No. 34 231

International Herald Tribune, S.A. au capital de 1.330.000 F. R.C. Paris No 22.8  
2112, 181, avenue Charles de Gaulle, 92123 Neuilly-sur-Seine, Tel. 47-12-65  
Telex: 412718 Herald, Paris Cable: Herald, Paris  
Le Directeur de la publication: Walter H. Thompson  
Daily except Sunday  
In U.S.A.: Subscription price \$25.00 yearly  
Second class postage paid at Long Island City, N.Y. 11101  
Postmaster: Please send address changes to International Herald Tribune, P.O. Box 518, Long Island City, N.Y. 11101  
Consentation Postage No. 34 231



## Fashion in London

## Unity Reverses Post-'60s Slide

By Hebe Dorsey  
LONDON, Oct. 30. (HTT) — London fashions do not have the kind of pizzazz they had during the swinging '60s. The party is over and the bubble has gone out of the champagne, which is both a blow and a blessing.

The razzledazzle that surrounded the London fashion scene of the '60s did more harm than good. Among other things, it encouraged

a lot of people who had little if any professional experience to think that anything could do. Hence the depression that followed, one from which the London designers are now slowly recovering.

But after years of feuding, they are finally working together. They pooled resources to publish a catalog for fashion week in London, listing the various exhibitions and shows going on around town.

The largest run-of-the-mill display — 380 exhibitors at the Olympia Exhibition Hall — has been beautified: The steel rafters are now hidden under a cheerful white-and-green tent and shows are held on a podium decorated with an Italianate trompe l'oeil garden scene.

At the Intercontinental, entrepreneur Percy Savage has gone way out again to inject life and style into an otherwise strictly commercial fair. The sidewalks are decorated with potted plants stuck into white urns and sprinkled with felt butterflies; stairways are banked with daisies and buffets are touched up with orchids. Across the street, at the Inn on the Park, where Annette Worsley Taylor has 26 top talents, things are under control with catalogs, guides, and buffet.

And finally a group of 14 young newcomers, calling themselves the Individual Clothes Show, have ganged up at the Athenaeum — and they too are worth watching. One of the best, Gianne Bastick, began to make some ripples with soft, silk clothes that had a distinct elegance and were bought by I. Magnin.

The British, as always, travel their own fashion course with little if any relation to trends in Paris or Milan. The most striking difference is in skirts — short everywhere else, long in London.

Once again, the whole British fashion week was anchored on a handful of international talents — John Bates, Jean Muir, Zandra Rhodes.

Miss Muir is a phenomenon.

Rain or shine, and often swimming upstream, she never deviates. She was the first to do (and still does) padded shoulders under jersey dresses, and she keeps honing up her demure, quietly elegant, pared-down look that is best translated into jersey and the softest sueded.

She has little trouble, because her look is so distinctive that once a Muir fan, always a Muir fan. Her newest shape was a dressmaker's coat, slim and narrow with skinny lapels, cutaway sides and quilted shoulder pads worn outside instead of in. Her oversized blazer, sporting a small sailor collar was new, as were her extravagant dungarees of navy suede.

Her brilliant sueded — purple, turquoise, sun-yellow — were the only color in an otherwise low-key collection of navies and greys.

## Most Flamboyant

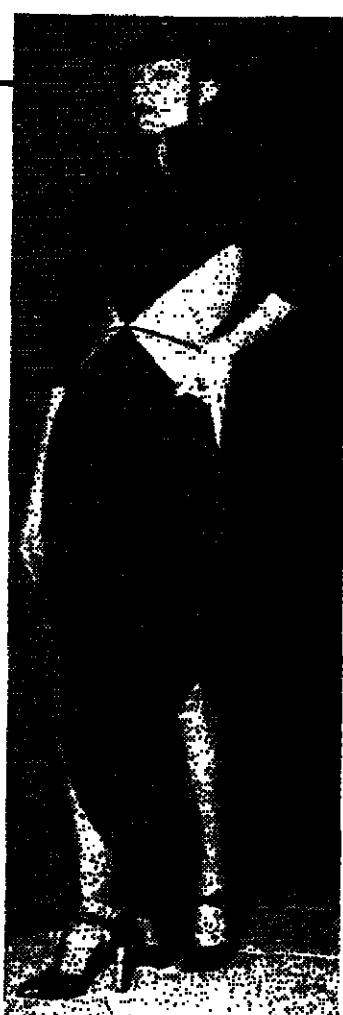
John Bates is the most flamboyant of all British designers. His shows are the best in London.

Once again, his show was a brilliant display, his clothes a series of strong statements. Not for faint hearts are his swirling capes, gypsy black leather embroidered with brilliant colors and sexy dresses over black patterned stockings.

Zandra Rhodes, who has stayed out of the circuit for several seasons, showed again. Unfortunately, the whole thing fell flat because hers are not the kind of clothes you show at noon in a drab hall to the accompaniment of church music.

Miss Rhodes does the most exciting and extravagant fantasy clothes in the world, the kind one should wear once then burn. As a store president put it: "It's like lighting a cigar with a \$1,000 bill."

Her newest look was Henry VIII, with lots of rolled pearl collars and epaulettes. A lighter version included romantic kerchief dresses, dripping with pearls. An outstanding colorist, she also scored with black billowy coats outlined with gray scrawls.



Evening gown by John Bates.

Besides those, London has a lot of young talents.

Janice Wainwright is definitely a rising star. She scored with an impeccable satin-and-lace that was nicely how-to-be-sexy-without-trying (much). Of all the boudoir looks, hers was the best.

Benny Ong is also making giant strides with a well-conceived and highly professional collection whose hallmark is quality. Adrian Cartnell's black-and-white collection was more tuned-in than the rest of London designers, but his deadpan revival of the '50s was somewhat heavy handed.

Brian Baker had fun, young clothes and a good fabric and color sense. Patricia Roberts, herself the very image of the prim Irish lass, had a sweet Irish-cottage look, complete with hand-crocheted lace collar and cuffs over black dresses. Australian Jane Catlin had clear, lovely silk dresses for daytime, and frothy lace-and-tulle spun-sugar concoctions for evening.

On the whole, despite a few efforts to the contrary, daywear was still hard to come by and evening clothes still the main attraction of London fashion week.

## 1864 Lafite: A Touch of 'Mushroom'

By Susan White

MEMPHIS, Tenn., Oct. 30 (UPI) — A hush fell over the lavishly decorated banquet room, where 30 guests in evening dress turned away from a medieval feast to stare at an ordinary-looking bottle of wine swathed in brown wrapping paper.

It was time for the decanting of the 1864 Chateau Lafite — the most expensive bottle of wine ever sold.

Michael Broadbent, the wine director of Christie's who had flown in for the Saturday night occasion from London, carefully inserted a corkscrew into the dark brown cork. Worried that the 114-year-old wine might taste like vinegar, he was concerned as the crumbling cork came out in tiny pieces.

Picking the bits away from the rim, Broadbent shoved a siphon into the bottle and inserted a tube. The wine trickled into a glass. He sniffed the Chateau Lafite several times and then raised his eyebrows and smiled.

## A Treat

"You're in for a treat tonight," he promised. A roar of approval went up from the guests, who had paid \$1,500 apiece — for one sip of wine.

The first taste of the red Bordeaux went to John Grisanti, the owner of an Italian restaurant who had bought the wine for \$15,000 at an auction last May and who had arranged the dinner for the benefit of St. Jude Children's Hospital here.

Grisanti took his portion in an oversized wine glass he had brought for the occasion. After one sip he pronounced it "drinkable."

"It is worth every penny we paid for it," he said triumphantly. "Considering the condition of the cork, I think the wine is truly magnificent," said Don Vargo, owner of a Michigan restaurant and the runner-up to Grisanti at the Heublen rare-wine auction.

## Take-Out Portion

Kemmons Wilson, the chairman of the board of Holiday Inns Inc. (he had donated the elaborate dinner), thought so much of the wine that he took his portion home with him.

"I share everything with my friends," said Wilson, who transferred his share into an empty vodka bottle that he stuffed into his coat pocket.

"It's a bit dreary on the nose with a just a little touch of mushrooms, and it's no longer red — more like an autumn brown," Broadbent said. "But it's still healthy and is a real full wine."

## Waverley Root

## The Sex Life of the Date Palm

PARIS — The food which above all others is probably most indispensable over the smallest area, and the one which shifts most abruptly from being an everyday staple to a luxury few can afford, is the date.

"Dates are to the people of the Sahara what wheat is to the French and rice to the Chinese," a French author has written, and their importance in the Sahara oases is symbolized by their frequently complicated ownership.

One person may own the land on which the trees grow, another the water rights that make their cultivation possible, and a third the trees themselves. Add to this that water rights are expressed in terms of so many minutes of irrigation at fixed hours on fixed days, and that more than one person may share any given water allocation, and that the same tree may belong to several different persons who share its crop, and you have an idea of the preciousness of dates.

But if their ownership is a source of riches, dates, on territory where they are the sole staple, are available to everybody (for some Saharan tribes date palms are communal property). But as you move southward into the Sahara, where oases are fewer, or westwards towards the Atlantic, where palms grow less well, the date suddenly — in the space of 100 miles or so — becomes a rare luxury.

The reason for this quick conversion from staple to luxury is that the tree requires quite special conditions to flourish. "Its demands for heat exceed almost any other cultivated plants," says *The Practical Encyclopedia of Gardening*, a trifle ungrammatically. The ideal temperature range is between 70 and 92 degrees Fahrenheit during the April-September ripening season; Egypt, for instance, meets that ideal. The date tree also requires water — underfoot, not overhead. It lives, as the French saying goes, "with its feet in the water and its head in the fire."

## No Rain

It cannot tolerate rain during the months of ripening. Indeed, in certain areas of southern California where the conditions are otherwise right, the fruit will not mature simply because of dew in the night air. In the Sahara and the Middle East dates sometimes do ripen along watercourses or seacoasts, but they are low-yielding and of inferior quality. The conditions that suit the date palm are propitious to almost no other food plant, and that is the reason it is a staple wherever it grows best: There is no competition.

The palm family is imperfectly known, but probably numbers about 210 genera, comprising 2,000 to 3,000 species, of which only two are of great food-producing importance — the coconut and date palms. Of the latter, a single species, *Phoenix dactylifera*, produces almost all the dates that reach the market and most of those that are eaten without the blessing of commerce as well.

There are more than two hundred varieties of *Phoenix dactylifera*, whose fruits are fall into three groups — dry, semi-dry and soft. Dry dates have the lowest sugar content (which may be 60 percent all the same), so these are the ones that constitute the daily food of desert populations. They can be

ground into flour, and are sometimes called "bread dates."

Semi-dry dates, which are eaten in their original form or chopped for use in sweet dishes, become soft when they ripen; they constitute the most important commercially exploited dates and include in their number the world's biggest seller, the Deglet Noor.

For those who consider the date as a luxury confection (and are willing to pay the cost of spoilage and damage for a fruit of almost unmanageable sugar content — up to 75 percent), soft dates offer such magnificent varieties as the giant Moroccan Medjool, the somewhat smaller Khadrawi or the light-colored Bahri, all of which are now grown in California as well as in the Old World deserts that originally produced them.

One might have expected that a fruit like the date would simply have been gathered wild until a fairly high stage of agricultural development had been reached, but on the contrary the date was one of the first fruits to be cultivated deliberately. The labor of tending date palms was forced on man by the tree's exigent character, which makes it the oasis plant par excellence — an oasis being by definition a place where the infertility of the desert is counteracted by the presence of underground water.

## Quantity the Key

As the major food, the quantity each oasis can be made to yield is all-important. Unfortunately oases are frequently small, perhaps no more than a few acres, and an acre can support 50 to 100 date palms. And nature is wasteful in the case of the date. Date palms are either male or female, so that pollen from the male flowers must reach the females to enable the palm to reproduce. Nature has not even bothered to make the flowers attractive to pollen-carriers — it is distributed by the wind.

From man's point of view half of the precious fertile ground is occupied wastefully by males that produce no fruit, though one male tree per acre can provide all the pollen required by an acre of females.

In the Sahara, only one male tree is allowed to remain for 50 females, which means that the pollen of the lone sire must be distributed among the female trees artificially, as Saharans were doing before his-

tory caught up with them. The usual method is to tie a string from a male flowering cluster above each female cluster at pollen time, but in Arabia pollen from especially successful male trees is bottled and sold at fancy prices to plantation owners, who sprinkle it sparingly by hand over the flowers of their finest females.

The result is fruit worthy of the company in which Keats placed it in "The Eve of St. Agnes":

Manna and dates, in argosy transferred  
From Fez. Waverley Root

— more choice  
— more style  
— better prices

the **cashmere house**  
the great Parisian specialist for 100% pure cashmere  
you will find the best and largest choice of cashmires as well as the marvelous cashmires of **Alexandre Sarrin**

the fashion leaders  
2, rue d'Aguesseau, Paris 8<sup>e</sup>  
(corner lg St-Mandé) Tel: 265 42 41  
Monday to Sunday  
from 9:30 a.m. to 7 p.m.

# Johnnie Walker &



THE STAKES HAVE NEVER BEEN HIGHER,  
THE PROBLEM NEVER MORE COMPLEX.

# HOW TO MANAGE FOREIGN EXCHANGE RISKS

The third in a series of working conferences sponsored by  
the International Herald Tribune and Forex Research Limited  
LONDON, November 20 and 21, 1978.

A comprehensive problem-solving examination of currency exposure, this conference will focus on the corporate treasury and decision-making aspects of the problem.

Case studies — by treasurers from Nestlé, Gulf Oil, Hunter Douglas, Tate & Lyle and other major corporations — will treat risk and probability analysis, medium-term techniques and computer-based exposure systems.

Key presentations will feature EEC Monetary Committee Chairman Jacques van Ypersele on the new European Monetary System and Union Bank of Switzerland General Manager Guido Hanseimann on the impact of the EMS on the Swiss franc.

The framework of international financial responsibility will be examined by Guido Carli, President of Confindustria and former governor, Bank of Italy.

Also: Bankers from Amro Bank, Lazard Frères, Morgan Guaranty and Goldman Sachs will discuss cash management techniques, international financing and multicurrency borrowing.

Plus establishing management information systems on currency exposure from Price Waterhouse, and the outlook for exchange and interest rates in 1979.

Be sure your company is represented. Complete and return the registration form below today.

## REGISTRATION FORM

Please type or use block letters.

Please enroll the following participants for the Conference at the Grosvenor House on November 20 and 21, 1978:

Surname	Surname
First name	First name
Position	Position
Company	Address
City	Post Code
Country	Telex

Name of secretary to be contacted in case of queries

Hotel room: Please reserve for the nights of November 19 and 20 the accommodation checked:  
☐ Single (per night): £35. ☐ Twin/Double (per night): £48.50. Prices include service and V.A.T.  
PLEASE NOTE: Reservations for hotel rooms must be received prior to October 27.

Fees are payable in advance of the conference. Each participant: £275 or equivalent; this includes all refreshments, cocktails, lunches and post-conference documentation. Hotel rooms are not included. Fees will be returned in full if any cancellation received 2 weeks before the conference.

Please invoice: ( ) Cheque enclosed: ( )  
to: INTERNATIONAL HERALD TRIBUNE, Foreign Exchange Conference, 161, avenue Charles-de-Gaulle, 92200 Neuilly-sur-Seine, France. Telephone: 747.12.65, Ext. 260.

The new Omega Ladies' Quartz.

Beautifully reliable.  
Beautifully timeless in style.



The unique Omega Ladies' Quartz. Smallest quartz movement in the world. There's no wonder — it's no longer needed. The Omega Ladies' Quartz keeps perfect time, whether you wear it or not.  
Beautifully reliable. Beautifully simple. And presented in a simply beautiful collection.

**OMEGA**

Omega De Ville, BA 591.0029, quartz movement, 18 ct. gold, sapphire crystal. Registered model.

## AUTHORS WANTED BY N.Y. PUBLISHER

Leading book publisher seeks manuscripts of all types: fiction, non-fiction, poetry, scholarly and religious works, etc. New authors welcome. Send for free booklet: R.S. VANTAGE Press, 316 W 34 St., New York, N.Y. 10001, U.S.A.



[illegible]

the 1990s, the number of people in the world who are under 15 years of age is expected to increase from 1.1 billion to 1.5 billion, and the number of people aged 65 and over is expected to increase from 250 million to 450 million (United Nations, 1994).

the 1990s, the number of people in the world who are under 15 years of age is expected to increase from 1.1 billion to 1.5 billion, and the number of people aged 65 and over is expected to increase from 250 million to 450 million (United Nations, 1994).



INTERNATIONAL  
**Herald Tribune**

Published with The New York Times and The Washington Post

PARIS, OCTOBER, 1978

# Focus on Greece

## Caramanlis Battles Over Major National Issues

### Administration's Views Opposed by Papandreou

By Victor Walker

ATHENS (IHT) — The general elections in Greece last November presented Premier Constantine Caramanlis with a setback and a dilemma. Although he is one of the few Western leaders able to govern without the need of a coalition or support from a minor party, he lost more in the election than his closest advisers had anticipated. More important, the liberal center saw its representation in the 300-seat single-chamber Parliament cut from 60 seats to 15, while the Panhellenic Socialist Movement (PASOK) of Andreas Papandreou boosted its seats from 13 to 93 and took over as official opposition.

For the first time, Mr. Caramanlis no longer enjoyed bipartisan support on the great national issues. Because, he said, the issues would all reach critical points during 1978, this made it necessary for him to seek a renewal of his mandate a full year in advance of the constitutional requirement.

When the center under George Mavros had been the major opposition, between November, 1974, and last November, Mr. Caramanlis had been able to count on overwhelming parliamentary backing for Greece's accession to the European Economic Community. He could also count on general support with reservations on matters of detail, for his policies on the Aegean and towards NATO.

Since last November this has not been the case.

Mr. Papandreou argues that since it is the Turks who are asking from Greece what Greece already holds under international conventions, then Greece has nothing to talk about. Negotiations can only imply a readiness to surrender national rights, he says, and should be broken off. If the Turks choose to appeal to the World Court, Greece can follow them there; if they do not, then *auton laxe* — let them "come and take."

The Greek-Turkish dispute is formally over demarcation of the Aegean continental shelf and airspace control. But behind this dispute, the Greeks identify a mood of expansionism in Ankara. For this reason they have armed themselves against Turkish attack. And quoting the supreme right of defense of national territory, they have also fortified the East Aegean islands off the coast of Turkey, in technical breach of treaty provisions. This is about the only aspect of government policy on the Aegean that has PASOK support.

Mr. Caramanlis has made Greece's accession to the EEC his dominating political ambition. Membership, he says, is not only essential for economic reasons but is also a safeguard for Greece's democratic regime.

Mr. Caramanlis, proclaiming that Greece belongs to the West, would like to see this country all the way back in the NATO alliance, from which it withdrew in 1974 in the aftermath of the Turkish invasion of Cyprus. But such a return would be contingent on the elimination of the cause for withdrawal — the Turkish occupation of the northern part of the island. In the meantime he is seeking a "special relationship" or "interim arrangement" with the alliance.

#### Perilous Step

Mr. Papandreou wants Greece to pull out of NATO altogether and follow a non-aligned policy. To the argument that this would be a perilous step for a small country in so sensitive a geographical region, Mr. Papandreou responds that a national nuclear arsenal would be a surer guarantee than a NATO umbrella.

On the other hand, there are many in Greece who think that the only serious foreign policy blunder committed by the Caramanlis government has been the withdrawal from NATO, even if it was a limited withdrawal. They feel that aside from the strictly military consequences, it put Greece in the position of seeming "less loyal" than Turkey to the West. However, during his visit to the United States last May Mr. Caramanlis put the withdrawal on a rather different footing than previously when he described it as having been, in the heat of the 1974 events, the only alternative to a declaration of war on Turkey — or the selection of the lesser of two evils.

Mr. Caramanlis and Mr. Papandreou are also in disagreement on whether it is desirable to seek full restoration of the old close links between Greece and the United States, which were strained by the seven-year dictatorship of the colonels and stretched still more tenuously by the Turkish invasion of Cyprus.

When the U.S. Congress voted this summer to repeal the embargo on the supply of arms to Turkey, the Greek government was relatively muted in its expression of regret. The fire-breathing came from PASOK.

The arms embargo was originally imposed because of the use in the Cyprus invasion of U.S. weapons shipped to Turkey for NATO purposes. The embargo was maintained because of Turkey's continued refusal to respect United Nations decisions and resolutions on Cyprus.

(Continued on Page 2)



Premier Constantine Caramanlis.

#### Economy

### High Inflation Persists Despite Other Successes

By David Egli

ATHENS (IHT) — There is a tendency in this nation to attribute many of its economic woes the mess left by military dictatorship. "The colonels simply lost control of the economy," says Xenophon Zolotas, governor of the Bank of Greece.

The legacy of the colonels included inadequate growth, rampant inflation, a large balance of payments deficit and excessive defense spending as a result of the confrontation with Turkey over Cyprus in the Aegean. On top of this had to be added the demands of a strained labor movement and the cultural readjustment of industrialization to a freer and more competitive economic climate.

Working these problems in a period of severe slowdown in international business and at a time when economic ministries are devoting increasing attention to one overriding issue — membership in the European Economic Community — has been no easy task.

The performance of the government has been mixed. In the four years since Premier Constantine Caramanlis took over there have been some successes: An increase in industrial production, an improved balance of payments and a very good record in holding down unemployment. But inflation, although brought down from a peak, has persisted at a level almost twice the average of the countries in the Organization for Economic Cooperation and Development. And in what may be interpreted as lack of confidence, investment in the private sector — more than in housing — has been seriously lagging behind.

The need to provide fresh impetus was reflected in Mr. Caramanlis' nomination last May of a new cabinet. Constantine Mitsotakis, to head the key Ministry of Finance, was a surprise move. But it is recognized that Mr. Mitsotakis' ability to bring about effective and rapid change will depend on how much he really has with the other ministries dealing with the economic opposition leaders suggest that truly effective the job should be done with the rank of deputy minister and a definite say in the nation of other ministers.

Since many of the decisions affecting the current state of the economy were made prior to Mr. Mitsotakis' appointment last May, it is still too early to judge performance. But one thing is clear: The government's handling of the "bad" economic problems of the junta, many of which are of a long-standing nature, and as the country moves to full membership in the EEC with relatively short period transition after accession, the basis will be on dealing with structural problems.

#### Headaches

At the time being, however, attention is being focused on the immediate headaches. The first priority is on controlling inflation. Mr. Caramanlis has had to curb inflation by all available means. His concern is shared by Mr. Mitsotakis. In May of this year he recalls, "the situation was bad and we feared that the inflation rate could go as high as 15 percent. But with the measures that we now taken, I am convinced we will be able to hold inflation below last year's figure (of 12 percent) — 11.5 percent is the goal."

Inflation has been brought down through government efforts to restrain public expenditure, curbs where possible, subsidize services and follow reasonable price banking policies. But the government has not really tackled the problem of excessive wage and price increases. "We didn't touch wages," says Mr. Mitsotakis, "since policies are fixed at the beginning of the year." Thus nominal this year are expected to rise about 20 percent, with a real increase of about 6 percent. In rates, according to the recent economic survey of

Greece, "are clearly excessive by any standards and unsustainable over the medium term." It may be asked why for the fourth successive year wages and salaries have increased so substantially. Government sources say that the government had to respond to labor demands following the repressive tactics of the military dictatorship. Indeed, in the four-year period since 1974 the minimum wage has been doubled, although the cost of living index has risen by only 62 percent.

#### Investment

But the time has now come, as the OECD report points out, to halve the nominal pay increases and price rises. The survey suggests that the lead be taken by the public sector itself, "by setting reasonable targets for wage increases in general government and public corporations."

There is a strong psychological element in the battle against inflation. The Governor of the Bank of Greece, Xenophon Zolotas, says that persistence of inflation is largely the result of inflationary expectations in the economy. And Mr. Mitsotakis, who claims that the

(Continued on Page 3)

## In Athens, Politicians Disagree Over EEC Terms. . .

*Although the government would probably win hands down, it wants to avoid a referendum at all costs. It says that it has the full powers and the mandate to go ahead with formal accession to the community without turning to the electorate.*

ATHENS (IHT) — At this stage, even those in Greece who are against this country's full membership in the European Economic Community have accepted the fact that Greece will become the tenth member of the EEC sometime in 1980.

The controversy now centers on two basic issues: The first involves the actual terms of the final agreement and the repercussions these will have on the economy and the social structure of the country. The second is whether or not there will be a referendum on the membership issue.

The center and the left-of-center parties have complained about the government's approach to the EEC. But observers have noted that a realistic and precise evaluation of what full membership will mean has been lacking on both sides. Now, with the negotiations progressing according to a fixed timetable, the details are gradually being filled in and specific sectors are being analyzed.

Nonetheless, the debate is sharpening.

The government under Premier Constantine Caramanlis tends to hold its cards close to the chest so as not to provide Andreas Papandreou's PASOK (Panhellenic Socialist Movement) with ammunition in its continuing rearward battle against membership. For the administration does not wish to alarm the Greek working population by bluntly pinpointing the changes that still have to be made to bring the economy into line with those of Greece's European partners. To do so in a period of deep concern over the performance of Western economies in general could have unfavorable political consequences.

#### Volatile

The electorate has been unexpectedly volatile, changing the usual voting pattern, because of concern for the overall economic situation and, apparently, the conviction that the government of Premier Constantine Caramanlis has not provided a strong lead nor has been as effective as it could have been in setting the Greek house in order.

This has polarized Greek politics. In last November's elections, voters moved sharply to the left, away from Mr. Caramanlis' government, leaving the EDIK (the Union of the Democratic Center) with only a handful in Parliament. This leads to the second issue, the referendum on membership. Although the government would probably win hands down, it wants

to avoid a referendum at all costs. It says that it has the full powers and the mandate to go ahead with formal accession to the community without turning to the electorate. In the meantime, PASOK has been riding uncomfortably high in terms of public support. And despite Mr. Caramanlis' attempts to interpret EEC membership in terms of the destiny of the nation — and thus place it above politics — it has become a heated political issue.

Addressing the nation, Mr. Caramanlis noted last month that once agreement for full membership is signed next year, "the nation

will be traveling in a new orbit, with new horizons opening before it." But, he added, the benefits anticipated from full membership in the EEC "will not just fall into our lap. They will require toil and sacrifice. It will require a constant and arduous effort to adjust our economy, and particularly our mentality to this new situation."

"The government will assist that adjustment effort with every means within its power. But the effort cannot succeed without the active participation of all the citizens. The development of a free economy on democratic lines is a voluntary process. It is dependent on the initiative and behavior of the citizens more than on any government effort."

#### Objective

This is just the kind of approach to which the opposition objects. It sees the general call to duty as an attempt to cloud the specific issues and the risks inherent in membership.

In the government's general presentation of the membership question, it places as much emphasis on the political as on the economic is-

— and sometimes mixes the two, perhaps to create a stronger effect. It contends that Greek democratic institutions will be strengthened by becoming a part of the Nine.

Ioannis Psemazoglou, president of the Greek-EEC parliamentary committee and the negotiator of Greece's treaty of accession to the EEC in 1961, sees one of the basic reasons for the electoral shift in recent months as an expression of caution about a policy that is strongly Western oriented.

One of the fundamental differences between EDIK, of which Mr. Psemazoglou is a member, and Mr. Caramanlis' New Democracy Party on EEC membership concerns the impact it will have on the political shaping of the Greek economy. The New Democracy Party sees membership as bolstering the free enterprise system, but EDIK leaders indicate that EEC membership will bring the economy in tune with the current principles of social democracy. Meanwhile, the talks go ahead.

## . . . In Brussels, Optimism but No Date Has Been Set

By David Haworth

BRUSSELS (IHT) — Neither the Greek negotiators nor their counterparts in the European Economic Community seem in doubt that most of the basic terms on which Greece becomes the tenth Common Market member will be settled by Christmas.

Although there are still difficult negotiations to come — in particular those concerning agriculture and regional aid — the mood here is optimistic, and the feeling is that the talks are bound to succeed.

Questions concerning capital movements, the customs union and Euratom (European Atomic Energy Community) were settled during the summer months. Agreements on these issues set a cordial tone that both sides believe will persist even though some of the most difficult problems have still to be solved.

However, the question of most interest to the Greeks — the date when Greece will formally enter the EEC — has not yet been decided. Premier Constantine Caramanlis is naturally anxious that entry should take place as soon as possible.

EEC officials believe that Mr. Caramanlis is too sanguine in his hope that January, 1980, can be the target date. Out of consideration

for the Greeks, they do not like to voice these doubts. But by any assessment it seems unlikely that Greek membership can be ratified by all of the community "parliaments" during the next 12 months — and Greece cannot join until this process is completed in all nine EEC capitals. Therefore, many people in the community feel that January, 1981, seems to be a more probable date for Greece's entry.

#### Transitional Period

Once formal entry has been completed, another question in the negotiations is the length of the transitional period after formal entry during which Greece will align itself with the EEC rules and standards. The transitional period cannot be shorter than the five years that Britain was given, and the debate centers on whether Greece

should have seven or even ten years to bring itself into line with community regulations.

Commission experts argue that if the transitional period is too long, it would not put sufficient pressure on Greece to bring about the necessary reforms. On the other hand, if it is too short, it would not give the Greeks enough time to make the required changes.

This problem is not as simple as it might appear. Tied up with it are French and Italian anxieties about the effect of Greek membership on their own agricultural interests. Also, the West Germans would like to prevent Greek nationals from enjoying free movement of labor within the community for at least a decade. With unemployment in the Common Market currently at more than 6 million, and with no prospect that this figure will soon come down, the Germans fear that the

community is ill-equipped to cope with a potential flood of Greek migrant workers.

Some EEC officials believe that the German argument is exaggerated. But as an issue it touches a sensitive nerve in the Greeks. Athens is constantly on the alert for any attempt by EEC members to thrust a second-class role on the Greeks. The Caramanlis administration is seen here as determined to acquire all the rights as well as assume all the responsibilities that Common Market membership will bring.

#### Tough Debate

There is no doubt that the debate on this issue will be tough — as will discussion about how much and over what period Greece should benefit from the EEC's social and regional development funds. Commission officials are anxious, too,

"The essential part of the negotiations will be terminated by the end of this year," according to Georgios Contogeorgis, a minister without portfolio in charge of relations with the Common Market. He said that Mr. Caramanlis' visit last spring to Brussels, capitals accelerated the timetable. While recognizing that agriculture is still a difficult issue, Mr. Contogeorgis noted that there has been considerable progress in other areas.

#### Heavy Going

Still, the going is likely to be heavy in the next few months. Apart from setting a schedule to reduce the remaining duties on industrial goods from the EEC, Greece is under pressure to eliminate as quickly as possible a number of such non-tariff barriers as the requirement of advanced payment on certain imports. It also must bring to an end state monopolies or semi-monopolies on salt, playing cards, cigarette paper and, more important,

(Continued on Page 2)





# Premier Caramanlis Battles Over Major National Issues

(Continued from Page 1)

The Greek administration sees the U.S. government as morally obligated to work harder for a settlement in Cyprus as well as to ensure that the balance of power between Greece and Turkey is not disturbed. PASOK, however, sees this as opening the way to U.S. intervention at the expense of Greece.

With the exception of the economy, foreign policy is the principal political issue in Greece.

This, and the fact that a moderate conservative government finds itself confronting a Socialist opposition, is the essential difference between the Greek political situation and the normal European experience. It is also the real meaning of the polarization in Greece since last November, which many Greeks find especially disturbing.

The question is whether the Greek center, traditional alternative or coalition partner to governments of the right, is condemned to remain no more than a fringe party without a popular base, or whether it can be resuscitated.

The government seems to have concluded that in the short term at least, which is the vital term in relation to the great national issues, the center cannot recover from the debacle it suffered last November. In an attempt to take over ground formerly held by the center, it has adjusted certain of its policies and has absorbed a number of the few deputies the center succeeded in electing. The remainder of the center, led since November by Ioannis Zogaidis, has drifted in the direction of PASOK, while a group of deputies under the nominal leadership of former Bank of Greece Deputy Governor Ioannis Psemmasoglou now sits as independents but seems to be gearing towards setting up a social democratic party.

## Appointments

The government's most spectacular move in its "broadening towards the center" was the appointment to the Cabinet last May of two former liberal deputies, Constantine Mitsotakis as minister of coordination and Athanasios Canellopoulos as finance minister, in effect giving them overall responsibility for the crucial economic sector and leaving Mr. Caramanlis free to concentrate on the national issues.

Before and after the November elections, Mr. Mitsotakis had been strongly critical of the government's handling of the economy. It is assumed that he accepted office on condition that he be given the power to effect the changes he had been calling for while in opposition.

The question now is in what direction the center voters, who only 14 years ago were sufficient to give the late George Papandreu a 57.7 percent majority in a general election, have moved since the break-up of the center.

No sound conclusions can be drawn from this month's municipal elections, because of the importance played by local issues and personalities and also because the government officially stayed aloof and allowed PASOK and the Greek Communist Party (KKE) to carry the fight to the people. Candidates associated with the government ap-

pear to have been hurt by a backlash of disappointment, expressed in an abnormally high abstention rate, over recent tax and tax-evasion measures. This, however, does not imply that the governing party would face a revolt by its right wing in the event of a general election.

## An Assertion

It is easy to overlook the fact that while PASOK last November increased its parliamentary representation from 13 to 93 seats, it was largely a result of the electoral system: its popular support actually rose by only 11.76 percent, to 25.34 percent. The governing New Democracy Party and the center together, despite the center's shipwreck, secured almost 54 percent of the votes.

Many Greeks believe that Mr. Papandreu, in putting forward policies that are much more extreme than any supported in the past by a main opposition party, is spinning a horse that can never outlast the combined right and center in a general election race.

This belief is based on the absence of a real working class in Greece — more than half the eco-

*The question is whether the Greek center . . . is condemned to remain no more than a fringe party without a popular base, or whether it can be resuscitated.*

nomically active population is estimated to consist of people working for themselves or relatives, on the land, in small businesses and industries or in the service sector. The assertion is also based on the idea that any further significant increase in Mr. Papandreu's strength at the polls, provided there is no national or economic disaster, can come only at the expense of the steady 10-to-12 percent support received by the Communist Party.

On the assumption that the right can bridge its own ground with the center without fracturing under the strain, this argument continues, the most that could happen in normal

circumstances would be that Mr. Papandreu might find himself in a position to form a coalition government with the Communists or a minority government kept in power by the Communists. But he might not find this a tenable situation in a country where the wounds of civil war have not completely healed.

Under the constitution, the argument that the mass of center voters will not and cannot desert moderate conservatism for socialism need not be put to the test until late in 1981. But there is a strong current of belief, also held by many government supporters, that the Greeks may in fact be called to the polls

again in the second half of next year.

Several factors are quoted in support of this belief.

It is said that Mr. Caramanlis, who will be 72 next year, would like to lead his party through one more general election and then stand as its candidate for president of the republic when Constantine Tsatsos' term as president expires in 1980. Presidents are elected by Parliament.

This is not a matter only of personal ambition. The constitution gives the president of the republic considerable powers that Mr. Tsatsos has not so far needed to exercise.

## The Presidency

From the presidency, Mr. Caramanlis could hope to guide his own New Democracy Party through the possibly difficult days following his retirement from its leadership. He would also be in a constitutional position to force one more general election, even with his own future at stake, rather than sign legislation that he considered disastrous. He could, in effect, give the Greeks a "last chance."

A general election next year would presumably follow signature of a treaty of accession with the EEC and probably its ratification by the Greek Parliament if Mr. Caramanlis could muster the three-fifths majority needed for such legislation. Although it would not be a referendum on the EEC, which the government insists is not needed and the EEC agrees is not a requirement, membership would inevitably be a key issue.

## Weakness

Another relevant problem is the continuing basic weakness of the Greek political system: the absence of lasting parties of principle on Western European models. No one can hazard more than a guess on who would succeed Mr. Caramanlis as party leader and premier if death or disability removed him from the scene, nor on whether a new leader could succeed in holding the party together.

It is not even certain how the new leader would be selected. Presumably the party deputies would meet and vote. But Mr. Caramanlis himself did not rise to the leadership by that route in 1955 when he formed his first government: He was picked by the head of state and subsequently endorsed by the deputies of the party in power. He then formed a new party, as he did again on his return to Greece in 1974 after 11 years of self-exile in Paris.

## No Involvement

Traditionally, parties in Greece do not survive the death or retirement of their leaders. There is no real involvement of the electorate in the party system, and no custom of annual party conferences at which policies can be debated and directions determined.

This applies equally to PASOK. The only party predating the seven-year dictatorship of the colonels is the KKE, which in any case was outlawed until 1974.

Many thoughtful Greeks, including publisher Helen Vlachou in articles in her newspaper Kathimerini, have publicly or privately regretted that grass-roots parties of principle have not been set up in the four years since the collapse of the junta.

Mr. Caramanlis knows that not only the unity but even the survival of the New Democracy Party rests

with him. The temptation would be to go to the polls next year in hope of winning his party the best possible tenure of office under his own retirement from leadership and the first general election under a new premier.

A legitimate question, in circumstances, is just how democracy is in Greece.

Mr. Caramanlis has said number of occasions, but more clearly than in his address to the Council of Social and Economic Policy (SKOP), that the pinning of democracy is inseparably connected with EEC accession.

"Besides safeguarding independence," the premier "our participation in a unitary rope will also safeguard our democratic institutions, since the institutional structure of the pean Economic Community presupposes the functional democratic political system member countries."

## 'Dismissed'

"This means that it will be possible for any coup to tempt against democracy those who would dare such a thing would know that on the row they would have been dismissed from the community grievous consequences for country."

When a similar view was by EEC Commissioner L. Natali, that any delay in the accession of Greece, Spain and Portugal to the community could jeopardize the democratic systems of countries, Mr. Natali's statement was carried by the semi-official Athens News Agency and in the government press.

But government services upset when the conclusion is that if Greece's democracy is dependent on the outcome of elections in Brussels it cannot that firmly rooted in native soil.

Evergetis Averoff-Tostis, defense minister, insists there are no plots in the army. I deputies are loud in voicing doubts on this. And P. Canellopoulos, who in 1967 ended the trauma of having a government overthrown by the junta, says that while he has assurances are justified I hopes that the necessary v is being maintained.

## Disagreement in Athens Over EEC Terms

(Continued from Page 1)

ant, on fertilizers and petroleum products.

The introduction of a value added tax is causing a headache because of the necessary and apparently difficult administrative reorganization that is required.

Greek bankers do not yet know how much they will be required to change the country's top-heavy banking structure as a result of EEC membership. The Nine have not yet established clear policies in this area. A Commission statement has said that the Greek banking system, along with its fiscal structure and its current instruments of internal and external monetary policy, "do not appear to be sufficiently developed to meet community requirements."

There will have to be some adaptation of the Bank of Greece's exchange-rate policies. Internally, an effort may be required to bring the growth in money supply under stricter control. This year, growth is

likely to be about 20 percent — considerably more than the target of 16 percent.

The main reason for this, according to Xenophon Zolotas, governor of the Bank of Greece, is "pressure from the banks that are always pushing to expand credit." The rate of increase of bank credit to the private sector last year hit 25.5 percent, the highest in the last 25 years.

## State Control

Mr. Zolotas said that the fault lies particularly with the National Bank of Greece, the country's largest commercial bank, which accounts for between one-half and two-thirds of all loans in the commercial banking sector. "We have tried to restrict their expansionary policies," Mr. Zolotas said, "and we hope that in the future they will at least conform to the directives of the currency committee."

The National Bank of Greece is indirectly controlled by the state, as are the other six Greek commercial banks. The major shareholders are pensions funds that are represented at shareholders' meetings by the finance minister. There are similar arrangements for other commercial banks, with the result that the state controls more than 80 percent of commercial banking activity.

Private banks account for only 6 percent of the sector. Foreign banks, mainly Citibank and Bank of America, also have a comparatively small share of the market.

The state's activities in banking and particularly in industrial credit extend further by encouraging the activities of such banks as the National Investment Bank for Industrial Development (ETEVA), the Hellenic Industrial and Mining Investment Co. (ELEUME) and the Hellenic Industrial Development Bank (ETIVA). A number of important high-technology industrial

complexes are being developed through these banks.

Minister of Coordination Constantine Mitsotakis says the negotiations are progressing rapidly and that he is "very happy" with the present attitude of the EEC. As he sees it, the job is now to get on as quickly as possible and keep transition periods down to a minimum.

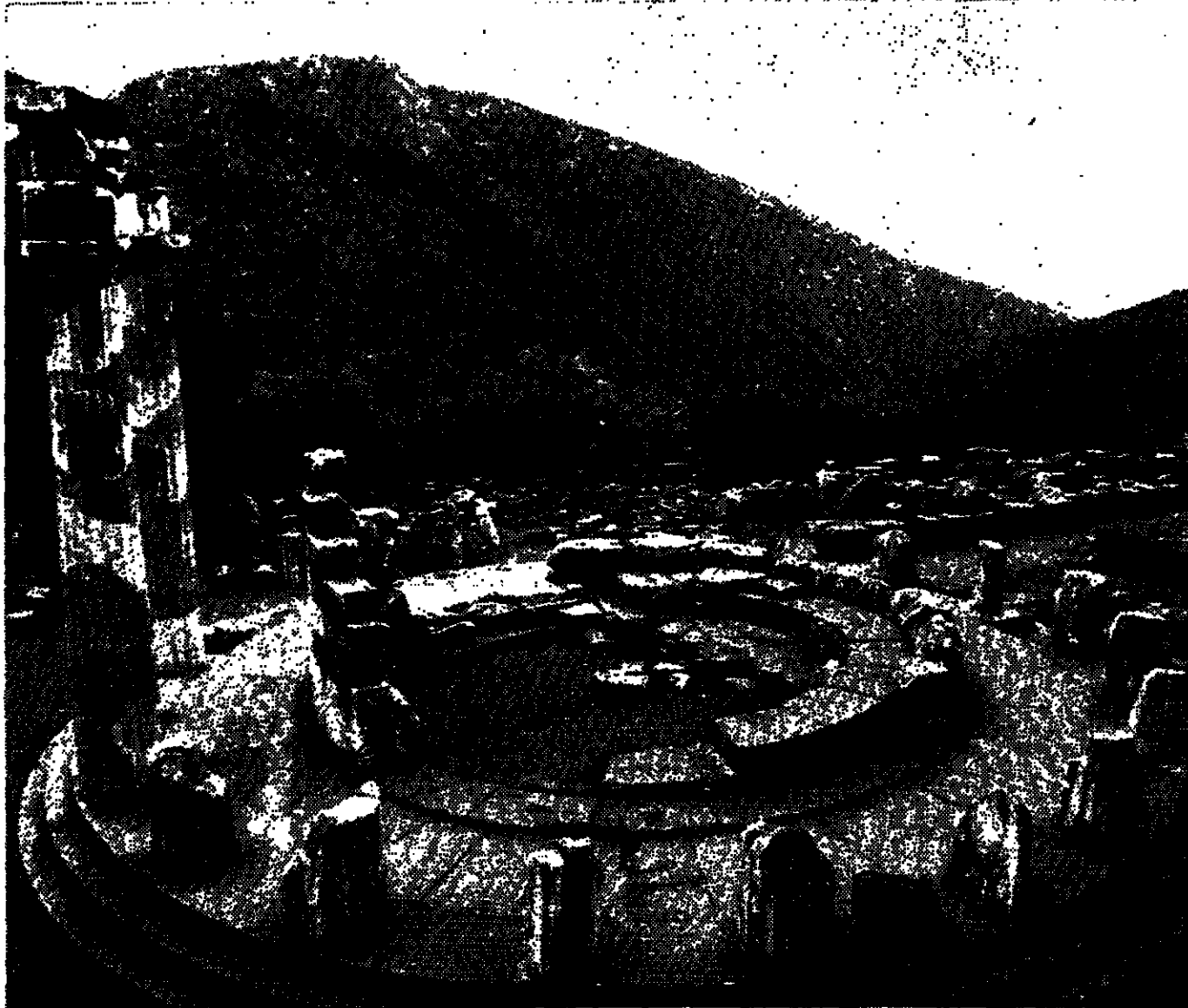
The Greeks are pleased that the earlier linkage of Greek candidacy for EEC membership with the other Southern European applicants — Spain and Portugal — has apparently been abandoned. As recently as the end of April, however, the Commission was still lumping the three candidacies together when considering the general problems of enlarging the Nine.

There is no doubt that Greece's long-standing association agreement with the EEC and the changes that it has brought about, even if limited in scope, set Greece apart.

— D. E.

# Come to the centre of the earth, and the oracle will answer all your questions.

Pythia, Priestess to Apollo.



Greece and the Hellenic Isles.  
They're closer than you think.



## NATIONAL BANK OF GREECE

Established 1841

The oldest and largest Greek commercial bank

Administration and Head Office: 86, Eolou Str., Athens 121

- Covers almost 60% of all greek commercial banking business.
- Is represented by 343 branches and offices throughout Greece.
- Has an extended international network of branches, offices, affiliates and correspondent banks, located in major financial centers around the world.

## BRANCHES ABROAD

IN LONDON, FRANKFURT, DUSSELDORF, ROTTERDAM, BOSTON, CHICAGO, CYPRUS (NICOSIA, LIMASSOL, LARNACA, PAPHOS), CAIRO

## REPRESENTATIVE OFFICES

IN PARIS, MONTREAL, TORONTO, SYDNEY, BAHRAIN, TEHRAN

## AFFILIATED BANKS

- NATIONAL INVESTMENT BANK FOR INDUSTRIAL DEVELOPMENT S.A., (N.I.B.I.D.), Athens
- TRADER'S CREDIT BANK S.A., Athens
- MORTGAGE BANK S.A., Athens
- ATLANTIC BANK OF NEW YORK, New York
- HELLENIC CANADIAN TRUST Co, Montreal
- THE SOUTH AFRICAN BANK OF ATHENS LTD, Johannesburg, Capetown, Durban, Pretoria

## BALANCE SHEET AS AT 31.12.1977 (in million £)

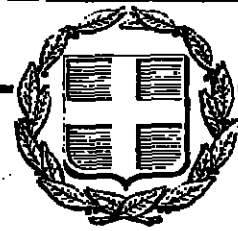
ASSETS	1977	1976	LIABILITIES	1977	1976
Availabilities	1.141	898	Share Capital and Reserves	179	11
Loans and Advances	2.588	2.122	Provisions	81	
Investments	334	291	Deposits	3.595	2.91
Other Accounts	311	249	Other Accounts	519	31
Contra Accounts	995	845	Contra Accounts	995	845
Total	5.369	4.405	Total	5.369	4.41

Gross Operating Revenue (in million) 1977: 141 1976: 101

## NATIONAL BANK OF GREECE S.

Telephone: 3210.411  
Telex: 214931 to 38  
Telegr. Address: ETHNOTRAPEZA





# Energy Problem Compounding by the Need to Increase Usage

**ATHENS (IHT)**—Greece's energy problem is not simply a matter of the price of oil and the strain that it places on a permanently tight balance of payments. It is compounded by the country's need to narrow the development gap separating it from the European Economic Community, which it hopes soon to join as a full partner.

To reduce that difference, Greece must accelerate the pace at which it is being transformed from a basically agrarian into a mixed industrial economy. This involves more electricity for industry and for the increased household consumption that accompanies rising living standards.

As standards go up, more Greeks must also afford to own cars and use them for pleasure driving. In the 12-month period ending last July, imports are said to have added \$4 million to the trade deficit. Exports of petroleum products last year cost more than \$1 billion.

A report by the Greek National Energy Council (NEC) notes that total energy consumption in 1976 reached the equivalent of 13 million tons of oil, with industry accounting for 43.4 percent, transportation 23.8 percent and household use 32.8 percent.

Depending on the development of the industry and the general course of the economy, the report says, the country's energy needs will reach the equivalent of 29 million tons of oil.

This is the background to a government announcement in August that it had considerably upgraded figures for the year by the Public Power Corp. (PPC). Some \$1 billion will be invested in the PPC's 10-year plan, more than double the installed capacity of this country's power network, the government report said.

Some experts insist that an energy crisis of this magnitude cannot be based on oil and, on the contrary, oil-fired power units must be phased out by the end of the century.

It is doubtful whether the picture would change substantially even in the event of major oil strikes in a world sense.

This year 1973 strike in the North Sea, when the first and so far the only oil from Greece, will not come up to international expectations. Estimated production for 1980-1981 is now about 25,000 barrels a day, just the figure given initially. This sends approximately 14 percent of Greece's present crude oil supply to the top of the

waterfalls. It is intended to cut oil's 30-percent share to 19 percent by the beginning of the 1980s and to 7 percent by 1990.

The Greeks do not yet know how much lignite they have. Latest reports say the Ptolemais field in northern Greece may continue all the way to the Yugoslav and Albanian borders, and additional deposits appear to be located in the Peloponnese.

The Industry and Energy Ministry is working on the assumption that deposits confirmed so far will meet the needs for the next 35 years of all present lignite-fueled plants and the 11 new ones included in the PPC's 10-year plan. Its view, shared by NEC, is that if new, commercially exploitable fields are discovered, it might be preferable to reserve their output, too, for the existing and planned units in order to extend their life further into the 21st century, rather than to plough them into additional plants.

In this connection, there is a strong current of opinion that it would be unwise, even improper, to risk exhausting all lignite deposits essentially within a single generation.

There is a lack of clarity, too, over the extent of peat deposits, the economics of power production from peat and the question of whether peat might not better be reserved for future chemical industries.

The official view, increasingly challenged by environmentalists, is that Greece does not have the rivers or the rainfall to supply enough hydroelectric power to meet the requirements for expanding power at the rate envisioned.

Some power can probably be saved by economies in use. A package of industrial investment incentives unveiled earlier this year included soft loans to cover 35 percent of the cost of measures taken by individual industries to save energy. Fiscal exemptions have been established to encourage the purchase of household solar energy units. But any economies that might be attained have to be balanced against the increased consumption inevitable in a developing country with a rising standard of living.

There are plans to exploit geothermal sources, initially through a 50-megawatt plant on the island of Milos and another, rather larger, at Sperchiada. But these figures do

not compare with Greece's present installed capacity of 4,836 mw and plans to raise it to around 10,000 mw by 1987.

An apparently irrevocable decision was taken last August, at a meeting chaired by Premier Constantine Karamanlis, to have the first nuclear reactor in operation by 1987.

## Industry Showing 'Tremendous Progress'

**ATHENS (IHT)**—Looked at from here, the record of Greek industry for the last 20 years is encouraging.

Since the association agreement with the European Economic Community came into force in 1962, "tremendous progress" has been made, according to Xenophon Zolotas, the governor of the Bank of Greece. Productivity, he says, improved at an annual rate of 7.4 percent between 1962 and 1975, compared with 4.3 percent for the EEC.

Because of greater competition in international markets, the share of industrial products in Greece's total exports rose from 6.1 percent at the beginning of the period to 51.7 percent last year, Mr. Zolotas says.

The point is conceded by the latest Organization for Economic Cooperation and Development report, which notes that the longer-term annual average rate of increase in manufacturing production is about 9 percent, although it has slowed to about 3.5 percent since the 1974 recession.

But the OECD report stresses that the apparently impressive growth rate reflects the initially small Greek industrial base. Besides, it points out that production per head in European OECD countries was four and a half times greater than in Greece in the early 1960s and even now is still some two and a half times better than the Greek performance.

Starting with the disadvantage of a relatively small domestic market, "Greece's industrialization record seems to be modest" despite the relatively rapid expansion of production and generous incentives, the OECD finds. Particular emphasis is placed on the unsatisfactory level of investment in manufacturing that has averaged about 3 percent of the gross domestic product

Beyond the fact that it will be in the 600-mw range, no decision has been taken — or at least publicized — on type, builder or site. But well informed sources expect consultant contracts to be awarded before the end of the year, with two years allowed for studies and six for construction. A unit a year will be needed from 1987 if power expansion targets are to be met, the sources say.

The Soviet Union took the opportunity of an official visit to Moscow last month by Foreign Minister George Rallis to raise the question of Soviet technical assistance in such a program. The Soviets have already built a number of conventional power plants in

—one of the lowest proportions in the OECD area.

The result is that although the figures may look impressive, the performance is patchy. A large proportion of manufactured exports comes in the form of processed raw materials or light manufactured goods. The first category, which includes cement, aluminum, iron and steel and nonferrous metals, accounts for more than a third of total Greek manufactured exports.

About the same proportion falls in the second category, light manufactured goods — textiles, clothing, furnishings, footwear and leather products. With the exception of some production in the textile area, the output here is also mainly on a small-scale, handicraft basis. This is reflected in the census of employment in the industrial sector.

A census now being completed is expected to show that the figures of five years ago have not changed greatly and that more than 90 percent of all manufacturing units employ fewer than 10 people. In 1973, 93.5 percent employed fewer than ten people.

Development of more technologically advanced production has been particularly slow. Greek exports in this area are less than half those of Spain or Portugal on a per capita basis. In particular, EEC tariffs on industrial products imported from Greece were finally abolished in 1968 as a result of Greece's becoming an associate member. Greece now exports more than 60 percent of its industrial products to the EEC. But this accounts for not more than half of one percent of the EEC's total industrial imports.

Two-thirds of the industrial products imported from the EEC into Greece are now duty free, and duties on the remaining third have been cut by half and will be phased out altogether by 1984. There are still other charges (indirect taxes)

on imported goods, but most of these will have to be removed by negotiations.

Although the government tries to encourage the development of more sophisticated industries — and it

has a \$640 million petrochemical complex and a \$250 million aluminum refinery under way — it is going to be a very hard job for Greece to catch up in this area.

—D.E.

Greece and are negotiating to provide what is expected to be this country's last new oil-fired unit, a 300-mw plant outside Athens.

There is far from general acceptance, even among engineers, of the need to "go nuclear." Also, the Greek Union for the Quality of Life (EPOZO) argues that power expansion could be based successfully on a multitude of small hydroelectric units, solar and geothermal energy, recycled waste, and imported coal.

In addition to such environmental questions as whether nuclear reactors can ever be made safe in a country subject to earthquakes, the prospect is also raised of a world uranium shortage in the next 30 years. Thus, it is said, there is no guarantee Greece will be able to secure the uranium supplies it needs at prices it can afford.

The deputy in Parliament for the island of Evvoia, Constantine Callias, made a rather different point in a long letter to an Athens newspaper. Since Greece was already "behind" — he was thinking in terms of a first nuclear unit in operation

in 10 years — it could afford to wait a little longer and see what technological advances may lie ahead in fusion as distinct from fission reactors, he wrote.

Mr. Callias' constituents include inhabitants of the town of Karyotes, near which it is strongly rumored the first nuclear plant will be constructed. To install it there, he said, would be disastrous for a developed tourist area on a holiday island.

If nuclear power has not yet become much of a public issue in Greece, it is probably for two reasons: no sites have so far been named and there is always a tendency here to distrust statements of intention put in the future tense.

—V. W.

## HELLENIC INDUSTRIAL DEVELOPMENT BANK S.A.

### FINANCIAL HIGHLIGHTS

	In Drachmas	31.12.1977	31.12.1976
<b>CONDENSED FINANCIAL STATEMENT</b>			
Investments in Industrial Areas (Land - Infrastructure - Surveys)		1,152,256,701	889,416,117
Equity Investments		2,289,720,285	6,211,520,534
Loan advances to Industry, Tourism, Shipping		23,359,389,082	22,438,028,755
Other Assets		2,993,028,068	2,719,290,752
<b>Total</b>		<b>34,793,544,286</b>	<b>32,038,946,158</b>
Less: Long-term Liabilities		17,532,932,573	17,238,455,070
Other Liabilities		5,674,918,203	3,651,079,735
Capital Reserves and Provisions		11,587,693,490	11,148,713,355
Less: Provisions		2,010,257,430	2,045,908,759
Share Capital and Reserves		9,577,426,060	8,102,804,596
<b>CONDENSED STATEMENT OF INCOME</b>			
Income		2,122,058,244	1,782,671,082
Differences from foreign exchange rates		(333,353,746)	218,789,508
<b>Total</b>		<b>1,788,704,498</b>	<b>2,011,460,590</b>
Less: Financial Expenses		1,389,541,770	1,211,373,117
Administrative Expenses		374,336,941	340,061,608
Profit before Provisions & Tax		25,825,787	460,025,865
Provisions		8,033,477	388,242,592
Income Tax		7,388,503	7,520,768
Net Profit		12,403,807	67,242,505

### ETBA'S ACHIEVEMENTS AND TARGETS

FROM THE REPORT OF Mr. GEORGE N. SPENTSAKIS

ETBA'S GOVERNOR AT THE BANK'S GENERAL MEETING ON JUNE 29, 1978

- In 1977 ETBA recorded an impressive financing activity. Loan approvals amounted to Dr. 4,810 million in 1976 which means an increase rate of 34%. A much more substantial increase rate (44%) was observed in the amount of loans granted i.e. Dr. 2,559 million as against Dr. 1,780 million in 1976. The fact that the rate of loan approvals during the first five months of 1978 (Dr. 2,800 million) has been more than double the rate of the previous year ensures good prospects of improvement in the country's investment climate.
- In the past year ETBA applied programs for the establishment of various industries such as asbestos fibres, ammonia, electrical telecommunication equipment, pharmaceutical raw materials and arms for the country's armed forces. These development projects amounting to Dr. 8,000 million will be carried out, on ETBA's initiative within the next two years.
- In the infrastructure sector, ETBA's efforts in 1977 were concentrated on an endeavour to speed up the project of industrial areas which under the new Law 742/77 were increased from 9 to 28. Intensive development was also recorded in the industrial areas of Thessaloniki, Volos, Heraklion and Patras, in land acquisition procedures concerning the industrial areas of Komotini, Kavala, Preveza and Larissa and in the establishment of industrial areas at Ioannina, Chania and Tripoli. Although during the past 10 years expenses incurred by the Bank for these industrial areas were in the region of Dr. 100 million per year, in 1977 they rose by 400% reaching the amount of Dr. 500 million. The 1978 plan provides for funds in the region of Dr. 900 million to be appropriated in this sector.
- Raising funds from sources abroad under very favourable terms without state or other security, can be taken as a proof of foreign Banks' confidence in the Greek economy and of the high reputation that ETBA enjoys among the world trade community.
- A special unit for the service of Greek and foreign investors has been set up at ETBA's Development Division (E. Venizelou 13, 7th floor). Its task is not only to advise prospective clients on the existing legal provisions, incentives and procedures but also to assist them in all their contacts with public agencies and banking institutions until their investment is realized.

## ETBA

VENIZELOU AVE. 13 - ATHENS 115 TEL. 3287.801 - 3287.381

TELEX 216.202 DPA GR - TEL. 509 BAHABANK

ETBA SUPPORTS EVERY INVESTING INITIATIVE FOR THE DEVELOPMENT OF THE COUNTRY IT SERVES THE INTEREST OF THE GREEK AND THE FOREIGN INVESTOR

## High Inflation Rate Persisting

(Continued from Page 1)

government has already managed to change the climate, says, "We have created the hope that we would manage to control inflation."

Whether this proves to be correct or not, it will probably take a while before such renewed confidence is reflected in an improvement in manufacturing investment. Today private manufacturing investment is still lower in volume than it was in 1973.

The sizable fall in manufacturing investment is seen as a serious setback by the OECD, which notes that it may adversely affect medium-term growth prospects, increase inflationary pressures and reinforce the balance of payments difficulties.

This year the authorities expect

the gross national product to increase by some 6 percent at market prices, compared to an increase of 3.9 percent last year. Also, with a sharp improvement in agricultural output, gross domestic product may be around 5.7 percent instead of 3.7 percent as in 1977. But a substantial increase in deficits is expected in trade and current account.

Last year, as a result of rising imports to meet buoyant domestic demand combined with sluggish exports, the trade deficit rose to \$3.9 billion against \$3.3 billion in 1976. Although a large part of this was covered by a rise in invisibles — essentially income from tourism and shipping as well as remittances from Greeks abroad — the 1977 current account deficit widened to \$1.3 billion from \$1.1 billion in 1976.

The OECD warns that the prolonged worldwide shipping crisis since 1973 as well as the return of thousands of Greek workers to their homeland mean that these sources of foreign exchange cannot be relied on to grow all that quickly in the future.

Accordingly, economic growth with a current external deficit on an acceptable size will depend more on the expansion and diversification of industrial production and exports. The degree of necessary restructuring will probably be very important "and can only take place if a higher share of available resources is devoted to productive investment and if sufficient control of demand and cost pressures creates a stable economic environment," the report says.

# everybody knows the Olympic hospitality

We offer it on all our flights. Because, we are the modern airline with the ancient Greek tradition and we offer everything for a pleasant trip. Skilled crew. Delicious meals. Personal attention. A choice of 8-channel music\* and the latest movies\* on intercontinental services. Happy smiles. In Olympic, Service means Tradition.

## OLYMPIC AIRWAYS

\* IATA fee US\$ 2.50 for earphones.





# Warnings Are Given on Wage Controls to Contain Inflation

**ATHENS (IHT)**—In two major addresses on the economy this year, one at a meeting of the Council of Social and Economic Policy in June and the other at the Thessaloniki International Trade Fair last month, Premier Constantine Karamanlis served warning that the government's four-year-old policy of redistribution of the national income to lower-paid groups would have to take second place to an assault on Greece's persistent double-digit inflation.

The policy of "correcting the injustices done to the working people" under the seven-year dictatorship of the colonels, which collapsed in 1974, "may be said to have achieved its purpose," Mr. Karamanlis told the Social and Economic Policy Council, a group of business, industry, union and government representatives.

At the Thessaloniki Fair the premier told how the cake had been redivided since 1974: Minimum salaries and wages had gone up 97 percent for men and 127 percent for women, he said, while in industry the hourly wage was expected to show a 132-percent increase for the four years. Allowing for inflation, real wages had gone up 43 percent against an average of 8 percent for countries in the European Economic Community.

In agriculture, he said, the policy of "shifting income from the cities to the farms" had seen 127 billion drachmas (\$3.42 billion) devoted to subsidies and other supports in the same four years, "paid for by the tax-paying community as a whole."

This situation, Mr. Karamanlis

remarked, "should not be overlooked by the workers when they besiege the government with complaints or unreasonable demands."

## Incomes

The 1978 economic survey on Greece by the Organization for Economic Cooperation and Development, which appeared before the Thessaloniki speech was made, said on the subject of incomes:

"There is no economic system that can afford without serious consequences increases in nominal incomes in the range of 20 or 30 percent for any prolonged period, [and] it would seem extremely desirable to get agreement among the social partners to about halve the rate of nominal pay increases and price rises during the period of the next collective agreements."

The inference drawn from the two speeches, in conjunction with the OECD survey, is that until inflation has been cut back to more acceptable levels, Greek workers will have to be content with the

gains they have secured during the last four years rather than increase still further their slice of the national income.

The questions now being asked are how this will be translated into government income policy for 1979, how it will be sold to the unions, and whether it can be pushed through without a wave of strikes.

The stakes are high enough: not just domestic inflation but monetary and budgetary stability, given the disproportionately high cost of the civil service in Greece, and also the balance of payments if mounting labor costs bring about a situation where Greece's export products cease to be competitive on world markets.

The general pattern of wage increases in Greece is set early each year, when representatives of the General Confederation of Greek Labor (GSEE) and the Federation of Greek Industrialists (SEB) sit down to hammer out a new collective agreement. The Labor Ministry is eventually brought in to arbitrate, and an "approved" figure emerges.

## Six Percent

One wage increase figure suggested by industrialists for 1979 is 6 percent. Even for openers, this is seen as improbably low. And even the most optimistic government economists do not think it possible to bring the present 12-to-13 per-

cent inflation rate down to anywhere near that level.

The Labor Ministry is understandably evasive. The wage policy for next year, it says, has still to be determined, "and for this reason it is not yet possible to say whether the wage rises will be the same, less, or even more. And while the target will certainly be to contain inflation, this does not necessarily mean any kind of wage freeze, and even less a collision with organized labor."

Greece's manpower setup is unusual, and its trade union movement particularly fragmented.

Of a total labor force estimated at 3.2 million, between a quarter and a third are engaged mainly but not necessarily exclusively in agri-

culture. These are overwhelmingly people who own the land they work, not farm laborers.

Since between 30 and 40 percent of the urban work force consists of "employers, self-employed and unpaid family members," nationwide across the whole spectrum of employment considerably more than half the Greeks are working for themselves or for relatives.

In the industrial sector alone, according to 1975 figures, 84 percent of Greek manufacturing units have four or fewer employees and 9 percent between five and nine.

This is one explanation — another is probably natural Greek individualism — for the fragmentation of the labor movement.

The Labor Ministry, quoting statistics of establishment filed with the courts, puts the total number of unions at 4,250, of which some 88 to 90 percent are affiliated with the GSEE.

## Clout

But even this figure does not give the GSEE the clout wielded by its counterparts in countries with a longer history of free trade union activity since the unions are plagued by dissent, much of it along political lines.

Even if the GSEE sympathized with the wider national reasons for some form of social contract, it is questionable whether it would be able to impose its view on the union movement as a whole. This would apply even more so if such a contract were disapproved by the opposition parties in Parliament.

If a strike wave should materialize, it could be met by two rarely used weapons in the government armory: compulsory arbitration and civil mobilization.

## Trained Employees

The emphasis on steady year-round tourist traffic, however, highlights the need for more trained employees in the sector. Nearly two out of every three persons working in the tourist industry have no training. Most work part-time during the summer season. Industry experts say that greater stress should be placed on increasing the capacity of hotel and catering schools and encouraging full-time, year-round employment.

For years, the concentration of visitors has been in the months of July and August. Despite the hectic building program, accommodations and other tourist facilities are stretched beyond normal capacity during these months. For, however much emphasis is officially put on the variety of natural and historical sites, the majority of the visitors are attracted more by the sun, the sea and relatively inexpensive living.

Tourist income is expected to add more than \$1 billion this year to the nation's balance of payments. With such an important source of foreign exchange, tourist industry officials are betting on year-long attractions to make an even healthier contribution to the nation's economy.

—D.E.

The Labor Ministry says that between 1974 and 1977 it exercised this right only four times out of 400 disputes that were referred to arbitration by unions or employers. Civil mobilization, in effect subjecting strikers to military law if they refuse to return to work, also has been resorted to rarely.

But no official cares to speculate on what would happen in the event of a real strike wave, especially one disapproved by the GSEE leadership and that could be interpreted as politically motivated.

The unemployment situation in Greece is another complicating factor.

There are no reliable figures on seasonal unemployment and underemployment in agriculture, nor on the self-employed and "family members" in the urban work force. However, the official number of

jobless in Greece hovers around 34,000, representing less than 2.5 percent of the 1.4-million-strong labor force outside agriculture. But these are "registered" unemployed. They do not include, for example, secondary school and university graduates still looking for their first jobs who do not register with the state until they have given up hope of finding what they want and are ready to take what can be found for them. Also, people who have never worked are not entitled to unemployment benefits, which removes another incentive to register.

On the one hand, thousands turn up whenever examinations are announced for a few positions in the civil service or in public utilities. On the other, despite pay rates said by the Union of Greek Shipowners to be more than those on British ships, the Greek merchant fleet is still short 60,000 Greek seamen.

The reversal of the migration flow since 1974 does not appear to have had much effect on the job situation in Greece. In the 15 years from 1958 to 1973, some 800,000 Greeks emigrated, representing between a fifth and a quarter of the total work force. Since 1974, this has changed into a net inflow of around 14,000 a year, which is well below the level that could threaten

a return of the mass unemployment that sparked the original exodus.

Another problem in the labor sector is the number of young Greeks who go abroad to study and do not return. The government identifies this as "a loss of indigenous technology." The Foreign Ministry has now started to contact Greek scientists and educators established abroad to try to persuade them to return to Greece. Since these approaches began only a few months ago, it is still too soon to assess their effectiveness.

The population flow from the rural areas and islands to the urban centers, which more than doubled the population of Greater Athens (Athens and Piraeus) in less than 30 years, appears largely to be stopped. In parts of the country and on some islands, however, there are now too few people to meet the agricultural needs and staff industries and tourist facilities.

The government is actively encouraging regional development through investment incentives, industry and grants towards mixing expenses for those who migrate. This process should be still largely uncompleted by EEC accession.

—V.

## Tourism: Looking for Off-Season Visitors

**ATHENS (IHT)**—Since the fall of the colonels in 1973, the flow of visitors to Greece has increased year by year. From 2.7 million visitors in 1972, it is expected that the number of tourists may well hit the 5 million-mark by the end of this year, considerably more than half of the domestic population.

Such growth is an indication of

future needs, and industry sources insist that more attention must be paid to maintaining and improving the facilities that already exist. But they also concede the importance of developing new areas and increasing hotel capacity (to nearly a quarter of a million beds, with an additional 200,000 available in private homes and camping sites).

Current plans to develop tourist

capacity are aimed at long-term returns. The tourist business will be extended more evenly among the thousands of islands and mainland Greece. A major new airport is in the planning, along with an extension of air services, improvements in roads and more regular sailings to the less-frequented islands.

One of the major goals is to build

up the number of off-season visitors.

A modern casino, a fine hotel and lots of snow and skiing facilities hardly seem characteristic of the attractions that Greece has to offer. Yet to stress the diversity of this lovely land, the new secretary general of the Greek National Tourist Organization, Panayotis Lambrias, singled out the newly completed Mount Parnassus ski center for special mention among the wide range of projects designed to extend the traditional tourist season.

## The old-established bank



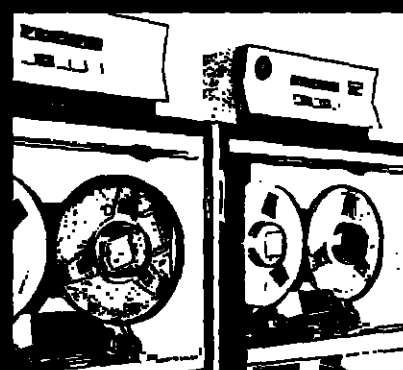
**IONIAN AND POPULAR BANK OF GREECE**

The old-established bank

with the thoroughly modern outlook



10-8



# ERGOBANK

The First Greek Eurobank

## CONDENSED STATEMENT OF CONDITION

	First Nine Months		
	1976	1977	1978
<b>Assets</b>			
Cash - Banks Treasury Bills	\$ 29.539	\$ 40.454	\$ 63.450
Loans - Discounts	45.320	74.413	97.546
Investments	—	2.475	2.740
Other Assets	15.393	11.290	11.424
Contingencies	49.746	89.829	121.907
	<u>\$ 139.998</u>	<u>\$ 218.461</u>	<u>\$ 297.067</u>
<b>Liabilities</b>			
Clients Deposits	\$ 44.002	\$ 83.033	\$ 125.935
Borrowed Funds	—	7.046	5.000
Other Liabilities	22.761	13.727	18.290
Shareholders' Funds	23.489	24.826	25.935
Contingencies	49.746	89.829	121.907
	<u>\$ 139.998</u>	<u>\$ 218.461</u>	<u>\$ 297.067</u>

## CONDENSED STATEMENT OF INCOME

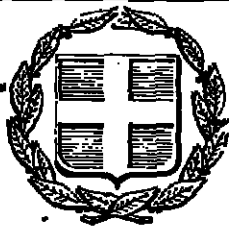
	First Nine Months		
	1976	1977	1978
Net Interest Income	\$ 2.646	\$ 3.463	\$ 4.590
Commissions etc.	1.266	2.662	3.484
	3.912	6.125	8.074
All Expenses	2.058	2.987	4.304
Loan Loss Reserve	199	443	614
	2.257	3.430	4.918
<b>NET INCOME</b>	<u>\$ 1.655</u>	<u>\$ 2.695</u>	<u>\$ 3.156</u>
Income per share	\$ 2.06	\$ 3.37	\$ 3.94
Number of branches	4	9	14
Employees' population	200	324	414
Months from Ergobank's launching	9	21	33

Amounts converted from Drachmae to U.S. Dollars at the median rate of U.S. \$1 = Drs. 36.64 prevailing on 30.9.1976

36, PANEPISTIMIOU STREET  
ATHENS - GREECE  
P. O. BOX 2187  
TELEX 219278 ERBA GR

(U.S. Dollars in thousands - except per share amounts)





## Agriculture Groundwork Laid for EEC Entry

ATHENS (IHT) — "Member-ship in the European Economic Community will certainly be a shock for Greek agriculture," said the new Minister of Coordination, Constantine Mitsotakis. But, he added, once entry is completed, Greek farmers will enjoy "enlarged possibilities."

The official view in Athens is that after an intensive round of technical meetings/wound up by the end of the year, the way will be open for some of the outstanding issues to be resolved.

However, ministerial technocrats in Athens tend to understate both the potential burden of Greek agriculture on the community and the difficulties in finding about rapid change in the conservative EEC.

One of the first problems being encountered is the validity of statistics being used to assess the current status of Greek agriculture. Most of the basic statistics from the 1971 census, taken during the regime of the colonel, are considered inaccurate. Yet the initial positions in the membership bargaining have been based on these figures.

Greek experts, for example, say that instead of some 41 percent of the country's labor force being in agriculture, the figure is closer to 24 percent or less. This figure nearly doubles the calculated output per agricultural worker which, according to the latest Agricultural Bank estimate, would be around \$2,700 for 1975, bringing it much closer to the EEC's \$3,750 (at 1970 prices and exchange rates).

### A Difference

The government claims that Greek membership would increase the number of EEC farm units by only 15 percent instead of the 19 percent calculated by the community, while the active EEC farming population would grow by less than 8 percent instead of 12 percent.

Greece's position is that although everyone recognizes that its agriculture has a long way to go, the situation is not nearly as bad as it has been made out to be.

In real terms the problems facing Greek agriculture are much the same as those facing industry. But as one major bank observes, there remains a significant difference. In industry, forces for change are working from within and adaptation to EEC membership will not depend entirely on government policy; in agriculture, it is up to the state to make all the decisive

moves. While observers outside the government say the Greek ministries are not up to the task of bringing Greek agriculture into the present-day European context because they lack appropriate skills in planning and execution, top level changes effected earlier this year are likely to breathe a new and energetic spirit into the machinery. The Ministry of Agriculture has

set up a program to encourage the expansion of high-yield crops, the creation of larger farm units that will ensure adequate incomes and living standards for the farming population and improved processing and marketing of agricultural produce. The groundwork for such sweeping changes was laid only recently. A considerable expansion of invest-

ment for agriculture is now planned. Land consolidation procedures have been streamlined with rules laid down for the extension of low interest loans to farmers for land purchase. Finally, legislation is being enacted to provide tax exemptions on the transfer of agricultural land.

### Arguments

While one of the arguments over Greek membership in the EEC is that the low productivity of its agriculture would place an excessive burden on the community's common agricultural policy funds, another is that Greek farmers, attracted by higher community prices, will be able to significantly increase their supply of produce, thus creating competition with some of the members of the community. Ironically, this year saw a dramatic revival in agriculture production, particularly in cereals. According to the latest Ministry of Agriculture statistics, wheat production is up 53.3 percent this year and barley up by 36.6 percent. The community is more than self-sufficient in both grains, and the low average 1974-76 production in Greece more than met its own domestic needs.

There are also considerable gains in other produce, with an average increase in value (at constant 1975 prices) of more than 12 percent. (Increases in livestock and dairy products — both imported in large quantities by Greece from the community — were insignificant.)

The Greeks contend, however, that their small volume of output in comparison with the EEC's is a guarantee that under full accession the supply of Greek products would not exceed the absorptive capacity of the market. Small volume is also used to support the argument that for those products produced by Greece in which the community is not sufficient, Greek exports to the community would not significantly alter its relationship with other suppliers.

They also point out that in 1976 only 16 percent of the community's agricultural price support budget was spent for products that Greece also produces and that might create surpluses: wine, fruit, vegetables, tobacco and olive oil.

—D.E.

—D.E.

## Shipping Facing Critical Period

ATHENS (IHT) — For many years the Greek merchant fleet has been the most dynamic and successful sector of the Greek economy. The 35 million gross tons now registered under the Greek flag make it the third largest fleet in the world, with more than 4,000 vessels. Including the 883 Greek-owned merchant vessels flying under flags of convenience, it is the largest national fleet in the world, accounting for 12.5 percent of total tonnage.

This, the Greeks feel, is something to be reckoned with even though shipping, like aviation, does not technically figure in the negotiations for entry into the European Economic Community.

The present period is critical not only because of the deep crisis in shipping due to the slump in world trade but also because moves are afoot within the EEC to develop a common shipping policy despite the sharply conflicting interests of member countries. The Greeks feel very strongly that they want to be included. George Dalacouras, a member of the Greek Parliament, recently told an international meeting, "It would be convenient, necessary, logical, fair and also profitable" for a common EEC shipping policy to emerge only after Greece becomes a full member.

The stakes are very high for a number of reasons. First is that the Greek-owned fleet holds the unenviable top place among the 56 million dead weight tons of shipping

**Greek shipowners are not all that clear at this time on what they stand to gain or how the EEC may benefit from Greek membership.**

laid up as of March 31. And opportunities are dwindling because Greek cargo ships operate almost exclusively as tramp tonnage (i.e., carrying other people's goods to third countries).

When the going gets tough, cross trade is likely to suffer most since both exporting and importing countries will favor their own national shipping even if costs are higher. The UN Conference on Trade and Development's proposed liner sharing code, which would give 40 percent of the cargoes to each nation at the ends of the route and 20 percent to cross traders, does not help. For the Greeks, there is also no assistance from the increasing restrictions imposed by trading countries on the age of vessels involved nor the London underwriters' decision to im-

pose higher insurance rates on vessels more than 15 years old.

Because of the continuing tendency of Greek shipowners to purchase secondhand, the average age of the Greek fleet has moved up to nearly 12 years, while that for Greek-controlled ships under other flags is nearly 10 years.

This somber picture is further compounded by the fact that numerous Greek shipowners who did order new vessels in more favorable times are now paying for them largely in revalued yen while their income is almost exclusively in devalued dollars.

### Unclear

Greek shipowners are not all that clear at this time on what they stand to gain or how the EEC may benefit from Greek membership. Their thoughts are more in tune with those of the British and the Danes in the bid to ensure a continuing degree of free trading within the enlarged EEC. In this, they are at odds with the French and the Germans, who are much more liner conference oriented.

But the Greeks feel that whatever may emerge, their willingness to throw the weight of their oversized fleet behind equitable decisions jointly arrived at can do nothing but good. They particularly dislike the Soviet bloc freight-cutting tactics and, as Mr. Dalacouras put it, the "discrimination and protectionist shipping policies of developing countries."

The president of the Union of Greek Shipping Owners, Anthony Chandris, is prominently behind the recent creation of the International Association of Dry Cargo Shipowners. This group may turn out to be a potent lobby for independent operators.

—D.E.

—D.E.

## A major Greek company a major world cement supplier

In the year 1977, Greece's HERACLES GENERAL CEMENT came first as the largest exporter of cement between all European cement manufacturers. With a total annual production of over 4,600,000 tons of cement have been exported during 1977. Heracles General Cement, largest cement exporters, 1,800,000 tons of cement have been exported during 1977. Heracles General Cement, also operates its own fleet of 14 bulk carriers, as well as the Red Sea and the Gulf. Subsidiary companies are involved in ready-mixed concrete, paper bag manufacturing, pumice mining and exports, maintenance and construction as well as in some specialized services. In almost all the mentioned fields it is the industry leader in Greece.



**HERACLES GENERAL CEMENT CO.**

HERACLES GENERAL CEMENT COMPANY  
CABLE ADDRESS: CEMRADES ATHINA TEL. 021568 P.O. BOX 500, ATHENS, GREECE  
PHONE: 80.881

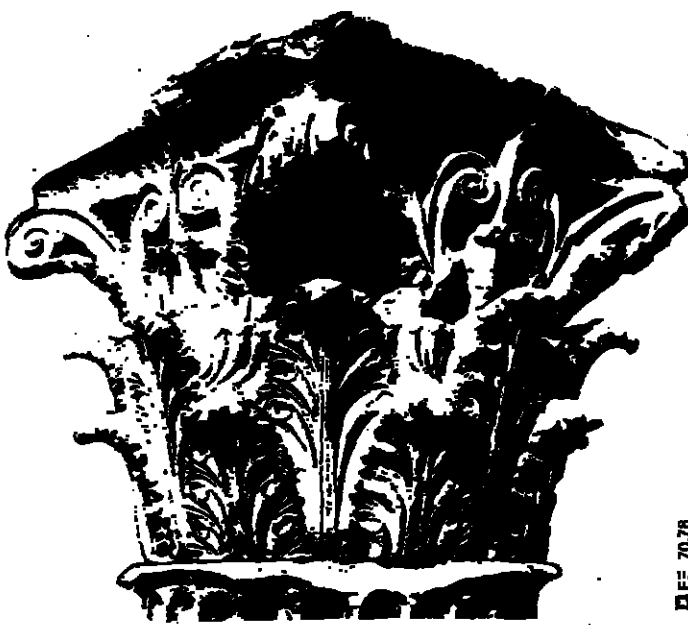


## COMMERCIAL BANK OF GREECE

since 1886

A big bank in Greece with a strikingly fast growth rate

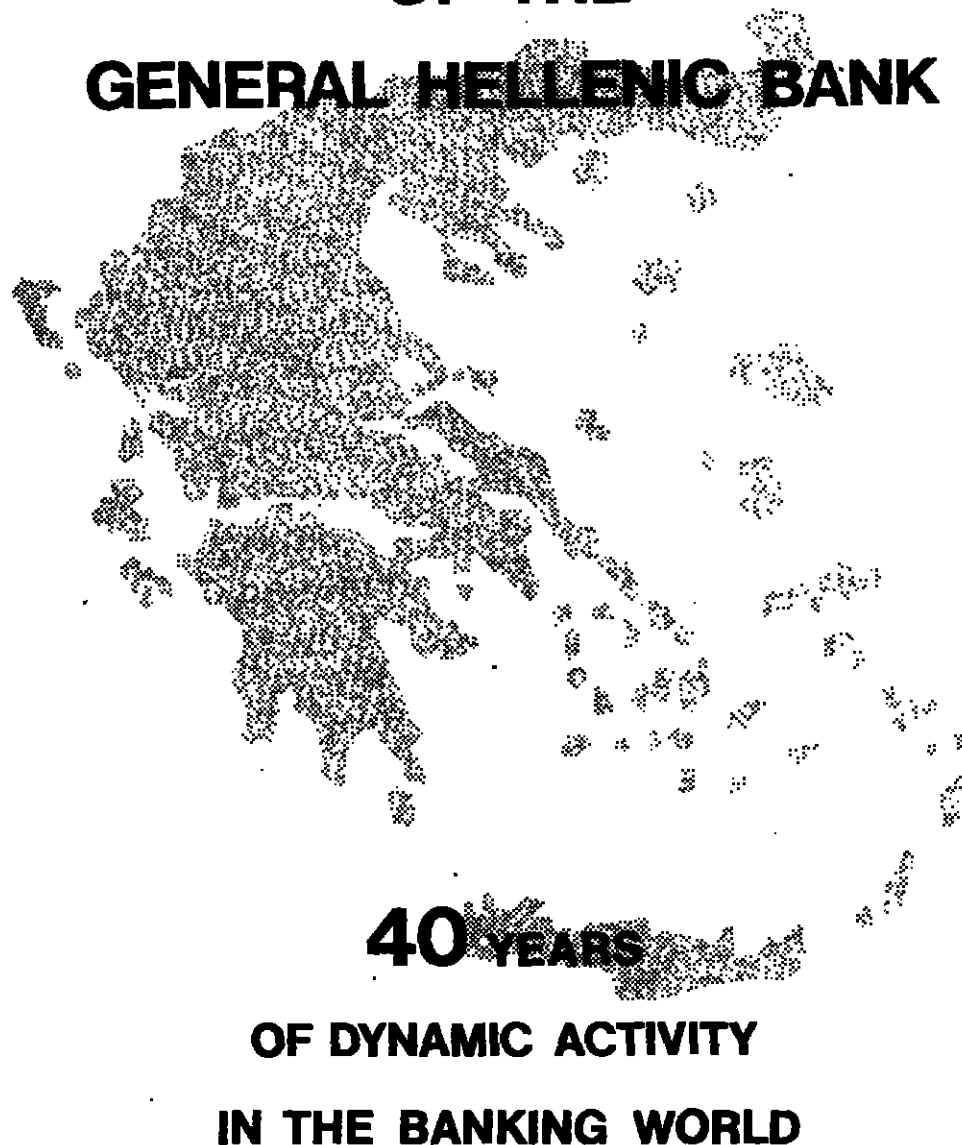
	1977 (million U.S. \$)	1976 (million U.S. \$)	Percentage increase
Capital and Reserves	227	213	7%
Deposits	2,054	1,620	27%
Loans and advances	1,195	908	32%
Total assets	3,500	2,991	20%
Gross profit	91	64	41%
Net profit	15	7	111%
Dividend (in U.S. \$)	1.40	0.84	67%



D.E.E. 70/78



## THE FORTIETH ANNIVERSARY OF THE GENERAL HELLENIC BANK



## VIOHALCO-EXPORT, LTD.

246 Piraeus Street, Athens 310, Greece.  
Telephone: 4813 651 (10 lines). Cables: EXEMEP ATHENS.  
Telex: 213649 EXEM GR.

As the marketing company for a group of leading Greek manufacturers, VIOHALCO-EXPORT, LTD., offers to prospective buyers abroad the Greek industrial products summarily listed below.

Produced in accordance with ruling international specifications and high-quality standards, these products are available in an extensive variety of forms and types and can be supplied at genuinely attractive terms and conditions to suit a wide range of particular requirements.

### COPPER AND BRASS SEMIS

—Tubes —Sheets —Road  
—Bars —Circles —Strip

### ALUMINUM EXTRUSIONS AND FOIL

—Extruded shapes for industrial and/or architectural use;  
—Round, square or rectangular cross section tubing;  
—Pipes for irrigation, television antennas and furniture manufacturing;  
—Aluminum foil in rolls: Plain, wax or glue laminated, lacquered or colored, embossed or prelubricated.

### ALUMINUM SHEET AND WIRE PRODUCTS

—Hot and cold rolled sheet, strip and coil;  
—Corrugated sheets, circles and slugs;  
—Wire rod for overhead transmission and distribution conductors;  
—Plain and steel reinforced conductors (ACSR).

### STEEL PRODUCTS

—Re-bars, plain and deformed; —Hot rolled strip;  
—Wire rod and wire mesh; —Merchant bars, flats and angles.

### POWER AND TELECOMMUNICATION CABLES

—Power cables from 250 to 150,000 V for underground, submarine or surface installation. Also overhead conductors;  
—Building wires and cables for use by the building industry;  
—Telecommunication cables including cables for voice and carrier frequency, coaxial cables, subscriber connection and combined and signalling cables.

### WE ALSO OFFER

—Turn-key plants and machinery installations for steel, metal and cable manufacturing.

FOR DETAILED CATALOGS AND SPECIFIC OFFERS PLEASE APPLY TO:

**VIOHALCO-EXPORT, LTD.**



## STOPPING AND SHOPPING IN ATHENS

### If "stopping" for business...

...we can solve your banqueting and meeting problems, with:

- 400-persons Conference Hall
- 10-30 persons Meeting Rooms
- Telex and Secretarial facilities
- Simultaneous Translation System

Do you think that's enough? We don't! We've also seen to making your business trip a pleasure, with luxurious air-conditioned Rooms and Suites, Bars, Restaurants, a 24-hours Coffee-House, Beach, indoor and outdoor Swimming Pools, Tennis, Bowling, Water Ski etc., all that on serene Kavouri Bay, just 20 minutes from Athens (Free shuttle bus service to and from the center).

INFORMATION/RESERVATIONS  
Through your travel agent  
or  
TELEX: 214250 APLE GR • TEL: 8951-401

**apollon**  
palace  
lavon of athens

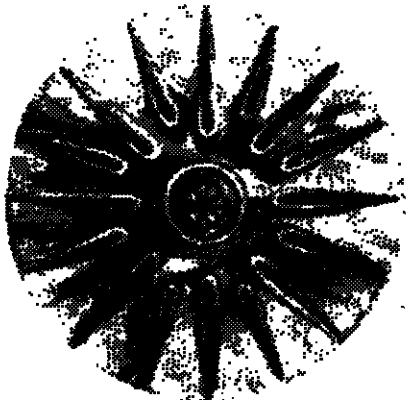
### BOOMERANG MOTORS ATHENS

CAR IMPORTERS EXPORTERS  
MEMBERS OF THE GREEK COMMERCIAL  
& INDUSTRIAL CHAMBERS OF COMMERCE  
**TAX-FREE SALES & RENTAL**  
129, Vas Sophias Ave., Athens 618, Greece  
Tel: 6461171 • Telex: 21-4774 AUTO GR

la chrysothèque

## ZOLOTAS

Treasures from greece:  
a reproduction of the recent findings at Vergina  
(Philip of Macedonia's tomb)



ATHENS 10 Panepistimiou av. PARIS 370 rue St-Honoré

### CENTRE OF TOURIST SERVICES

12-14 Karageorgi Servias Str., Athens 125  
Tel. 32.45.930 Telex: 21-6989 BEHO GR

### behoma

Hotel Organisation And Management Consultants

Feasibility Studies  
Kitchen Layouts  
Sales Promotion / Marketing  
Personnel Recruitment  
Computerised Bookkeeping  
Management Contracts

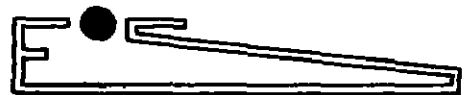
### CONSTANTINE C. LOUKOS

Real Estate Transactions

Specialising in choice Hotels,  
Sites and Holiday Properties for Lease or  
Sale all over Greece.

### loubrair travel system

Air Charter Handling. Executive Service  
Guaranteed Hotel Reservations  
Conference Arrangements Car and Yacht Hire  
Airline and Cruise Tickets



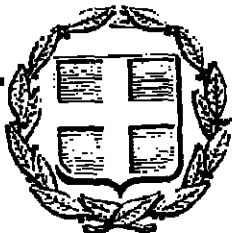
### EXECUTIVE SERVICES

Your Athens office

When in Athens on business you need all the help you can get. We offer fully equipped executive offices for daily or monthly rental, multilingual secretaries, mailbox, telephone and telex service, expert translations, congress planning.

Building 'B' Athens Tower,  
Athens 610, Greece.

Tel.: 7783 698, 7701 062  
Telex: EX GR 214-227.



## Education: The Problem of the Long Nail

ATHENS (IHT) — Greece is short of schools and university classrooms, of teachers and equipment. Despite austerity in other sectors, funds are being made available for the most concentrated construction program ever attempted here and for the appointment of sufficient teachers not only to staff the new schools but also to reduce the size of classes to more acceptable levels. Antiquated curricula are being overhauled, and educational television has been introduced.

The government describes the modernization of education as second in importance only to national defense. It wants to narrow the traditional differences in standards between the cities and the rest of the country and in the educational opportunities available to the children of the well-to-do and those of ordinary means.

Says Education Ministry Undersecretary Vassileos Kontoyanopoulos: "It is not altogether unjust to describe education in Greece as an urgent problem hanging fire for 15 decades" (in other words, as long as modern Greece has existed).

All this is easily understandable for a country that has developed as recently and as rapidly as Greece. What may seem more unusual with full membership in the European Economic Community expected by 1980, is that it should first have been necessary to tackle "the problem of the long nail" and the domestic language barrier.

### The Long Nail

The young man in his twenties or thirties, nursing a two-centimeter nail on the little finger of his left hand, is not seen so often now as a few years ago.

The nail was the young man's way of telling the world he had escaped manual labor on the land or in industry and had joined the fortunate few who worked with their brains — or wits. Otherwise, of course, the nail would have broken.

The mentality that led him to grow the long nail still survives. This is apparent whenever a bank or a public utility announces openings for new graduates and hundreds turn up for a handful of positions.

Going far deeper than snobbery, the custom of the nail was based on the widespread feeling, not substantially shaken even today, that real security is provided only by a

post in the "state machinery" — the civil service, education, the police and gendarmerie, the power, telecommunications and water companies, banks and public corporations.

Having such a post meant the difference between a decent salary, tenure and assured pension and the risk of sudden unemployment and a penurious old age.

This no longer applies to the same extent. Even farm workers now have pensions. But it is proving a hard task to persuade the young man knocking on the doors of the higher educational institutes to adapt his outlook to the changing needs of the country for technical education and vocational training.

In a homogeneous society without national minorities, the language problem is a matter of which Greek to read, write and speak. The government, with a boldness unlikely to be appreciated outside this country, has decreed that demotiki, the spoken language of the people, should replace the more formal katharevousa throughout the educational system and the civil service.

### Language Barrier

The ultimate aim is to eliminate social distinctions deriving from what really was a language barrier as well as to raise the general cultural level. The child who never went to a university learned a language in school that he would not use outside school and, in extreme cases, barely understood. At the very least, he was unlikely to acquire a reading habit.

The switch to demotiki has meant a massive task of translating and reprinting textbooks.

Mr. Kontoyanopoulos recently told a conference of school inspectors that curricula modernization had involved new or translated textbooks in all six primary school grades, and in secondary education 42 new textbooks and 44 old ones were translated into demotiki.

"One of the greatest achievements, which surpasses the purely educational sector and constitutes an event of genuinely supreme national importance, is the solution of the language problem," he said. "The establishment of demotiki at all levels of education... puts an end to a situation that had held back the social, educational and cultural course of our people."

It was "just as fundamental," he said, as extending from six to nine

years the period of compulsory education.

Greek children must now attend six years of primary school and three years of "gymnasium." They may then leave school at the age of 15 or take examinations for a three-year general-technical "lyceum" — formerly the top three grades of the wholly optional "gymnasium" — and after that for a higher educational institute.

### Progress

Changing statistics illustrate the attention devoted to education and the progress made.

• In this year's budget, 23 percent of total expenditure was earmarked for national defense and 13 percent (31.4 billion drachma, or \$848 million) for education.

• The rate of completion of new classrooms has risen from 630 in 1974 to 2,000 in 1977 and is expected to reach 3,000 annually from this year.

• The number of teachers is up from 3,156 in 1974 to 5,176 in kindergarten, from 27,818 to 31,874 in primary schools, from 17,392 to 22,916 in secondary general education and from 570 to 3,027 in secondary technical education.

Greek students in the 1960s, the Education Ministry notes, had two university-level campuses, while today there are 11. Of 13 higher educational institutes, five are full universities: Athens, Thessaloniki, Patrai, Ioannina and Thrace. A University of Crete is being set up, and a University of the Aegean, based on Rhodes but with facilities on other Dodecanese and East Aegean islands, is in the planning stage.

There are now 576 state technical and vocational training schools of various levels. 148 of them in Athens, 143 in Macedonia and the rest spread through the country.

### Final Step

Public educational projects listed for completion in the early 1980s, a number of them with partial World Bank financing, include five higher technical education centers, 12 agricultural training centers, three higher education centers, five vocational training schools and three tourist personnel training schools. A \$125 million project (with \$60 million from the World Bank) will equip science and prevocational fa-

cilities at 40 existing high schools and construct, equip and furnish 10 combined vocational and technical education centers and four higher technical and vocational education centers.

A law passed by Parliament during the summer extends the reform to the higher educational institutes, in what Mr. Kontoyanopoulos describes as the final step in the initial program.

The students protested strongly that the educational reform undermined their "acquired rights" and that they were given too little say in university affairs. But any public sympathy they might have gained was lessened by revelations that success rates in examinations often were as low as 15 to 20 percent. The general tendency is to connect this with the mushrooming of political movements in the universities since the collapse of the dictatorship. From now on, students will either pass tests regularly or make way for others.

With an average of just less than 80,000 candidates a year taking entry examinations for some 14,000 places, there is little disagreement outside the student body that it is time to toughen up. The students themselves maintain there would be fewer "lifetime students," as the Greeks call those who are willing and apparently able to go on indefinitely at a university, if there were a better system of state grants and less need for them to work their way through the university.

Eventually, it is hoped, the higher educational institutes in Greece will be so developed and organized that it will no longer be necessary for thousands of young Greeks to go abroad to study, at the cost of foreign exchange reserves and with the danger that the best of them may never come back.

No one, least of all the Education Ministry, is satisfied yet with the system. There are too many tumbledown schools and overlarge classes and, at the highest levels, a real question whether the degrees obtainable in Greece are of equal standard and value with those secured by Greeks who go abroad to study. But the ministry points out, it has had only four years to work on improving the system.

Says Mr. Kontoyanopoulos: "Everything we are doing has some relation, of course, to our EEC admission. But it was all very necessary in any case."

— V. W.

## WHEN IN GREECE



Enjoy the thrill of discovering Greece and travelling throughout in the cheapest, the most comfortable, the safest way... Always on time!

## GREEK RAILWAYS ORGANISATION

Always ready to lend a helping hand



Central Travel Office: El. Venizelou 31.  
Tel.: 36 24 402.  
Telex: 3624402 CEH.



## CARAVEL HOTEL

For World travellers.  
The seasoned traveller knows what he wants and where to get it.

All over the world. He knows the CARAVEL. He prefers hotels that are geared to cater efficiently to his business requirements and at the same time his businessman's need for relaxation. He prefers the CARAVEL. Conference facilities from 10 to 1,000 people • Direct phone dial in all rooms to any country • Telex facilities • Rooms with individually controlled heating and Air Conditioning, frigo bar, radio • Shopping Arcade • Swimming pool • Health Studio • Sauna • Restaurants • Round the clock Coffee Shop • 2 Bars • Night Club.

Caravel Hotel 2, Vassileos Alexandrou Ave. Athens, 508  
Phone: 790 721 (60 lines) Telex: 21-4401 CH GR  
Cables: CARAVELHOTEL

When in Athens... kindly note that, at the

## INTERNATIONAL HERALD TRIBUNE

Pindarou 26, Kolonaki. Tel.: 3618397.

### JEAN-CLAUDE RENNESSON

and his team will be delighted to extend to you any assistance to render your holidays more enjoyable.

### PARIS-BRINDISI-PATRAS-ATHENS

## Train and Ship Service

FOR MORE DETAILS CALL: LONDON 489 0018, 481541 • PARIS 142 22 84, 142 82 91  
COLOGNE 24 811 • FRANKFURT 24 886 • ZÜRICH 238 726, 211 09 91 • BERN 25 28 44  
GENÈVE 25 76 15, 21 26 11 • MILAN 85 541 • BRUSSELS 238 726, 211 09 91  
ROME 47 01 41, 47 01 41 • AMSTERDAM 24 18 77 • ATHENS 323 895, 323 8412, 323 831



EGNATIA-APPIA-CASTALIA-ESPRESSO OLBA

## Inn on the sea

YACHT BROKERAGE AND CHARTERING

CHARTER A YACHT motor or sail bare or crewed and... discover the GREEK ISLANDS at leisure.

600 YACHTS ARE NOW AT YOUR DISPOSAL!!!

Prices from \$120 to... \$5,000 per day depending on the type and size of the yacht.

Also we offer sailing weeks including air fare from \$625 per person and week.

Before deciding on your forthcoming holidays write for detailed information to:

INN ON THE SEA

1, BOTASSI STR. & AKTI THEMISTOCLEOUS (SEA)  
PIRAEUS - GREECE TEL. 4324068 TLX 21-1249 SEA (GR)



The largest mining and metallurgical Nickel production company in W. Europe



## Gold Nears \$250 an Ounce

## Dollar Declines to New Lows

From Wire Dispatches  
LONDON, Oct. 30 — The dollar sank to yet new lows on world money markets today as gold rose to historic prices.

The dollar remained the vortex of a crisis on currency markets that West German banker said reflected a "lack of confidence in the economic policies of the Carter administration."

Stepped up intervention is seen by many analysts as the only means to reach an accord on such key problems of what intervention mechanisms should apply in the EMS as well as the amount of credit that should be available for support of currencies, sources said.

They said the governors also con-

tinued work on the report they are to submit to EEC finance ministers scheduled to meet here Nov. 20.

While participants would not discuss the results of today's meeting, other sources reported that West German Bundesbank president Oskar Emminger remained opposed to any mechanism that provides protective intervention prior to any EMS currency reaching mandatory intervention points set under a parity grid.

West Germany's central bank is known to be opposed to any "automatic consequences" for intervention and financing obligations other than those set under the parity grid. The Bundesbank fears that it may lose its autonomy over West German money-supply policy if the basket indicators were used for additional intervention, sources explained.

The Deutsche mark, down 3 percent versus the Swiss franc and off 4.3 percent against the French franc, it has lost 5.6 percent versus the guilder, 5 percent against the Belgian franc, 2.5 percent in relation to the lira and 2.3 percent versus the yen. The pound has risen by 4.5 percent against the dollar.

After opening at 1.7400 Deutsche marks, down more than 2 pfennig from Friday's close, the dollar slumped to a low of 1.7200 DM, breaking Friday's record 1.7550 DM. It finished at 1.7265 DM, down from 1.7605 DM late Friday.

The dollar shed 2.90 centimes to 1.4755 Swiss franc — still above a record 1.4575 franc set Sept. 26 — before the Swiss took measures to curb the appreciation of the franc. Falling to a three-and-a-half-year low, the dollar slipped below the 4.00-French-franc barrier to 3.9950 francs, down 6.95 centimes from Friday.

Reaching a new low against the yen, the dollar dropped 1.80 yen to 177.10 yen. The previous low was 178.80 yen recorded last Thursday. The dollar also scored new lows at 1.8660 guilder francs against 27.69 francs. Sterling surpassed \$2.10 for a time today, before retreating slightly to \$2.0975, for a gain of 3.3 cents on the day.

For the eighth consecutive time, the London gold fixing set records, climbing near the psychological \$250 level. It was fixed at \$241.30 in the morning and \$242.75 in the afternoon, up sharply from Friday afternoon's \$234.50 an ounce. Bullion finished at \$245.25, up \$9 from late Friday.

## Analysts See Big Board Extending Its Downturn

NEW YORK, Oct. 30 (AP-DJ) — Some investment analysts say it is unlikely that the New York Stock Exchange will rebound rapidly from its current shattering downturn.

A period of regrouping is seen by Thomas Darnall Jr., senior vice president of St. Louis Union Trust. "For the near term, the focus will be on inflation and the upward trend of interest rates and until there is evidence these trends are peaking, the securities markets and the dollar will continue under pressure," he assesses.

Henry Gailliot, senior vice president and economist at Federated Research Corp. of Pittsburgh, since mid-May it has considered the market in "an area of major cyclical risk."

One reason he believes the overall trend is down is that "looking at sentiment, one sees that the players who traditionally are more right than wrong are bearish today while the players who traditionally are more wrong than right are either neutral or bullish."

A money manager who views the outlook more hopefully is Albert Ziesiger, president of BEA Associates. He "wouldn't be surprised if the stock market turned around by election day." He takes his cue from the long-term bond market, "which generally reached its lows in early July and has held above the lows even while short-term rates reached cyclical highs."

He thinks the most widely held large growth stocks, such as drugs and computers, which had been in a downturn the past few years, bottomed last June.

"We believe the values between the small capitalization and large growth stocks have come into balance," he states. He particularly favors stocks in the capital-spending sector, such as steel, nonferrous metals and capital machinery producers.

## ITT Loses Bid To Withhold Names of Bribed

WASHINGTON, Oct. 30 (Reuters) — The Supreme Court today rejected a request by International Telephone & Telegraph that would have kept the Securities and Exchange Commission from identifying foreign officials who took bribes from the company from 1970 to 1975. ITT has acknowledged making nearly \$9 million in such payments but has not named names, contending it is not under any obligation to do so.

The SEC's position has been that U.S. securities laws require that disclosure. What the regulatory agency wants to do, and should soon be able to do as a result of today's high court action, is make public the complaint it filed to start a suit against ITT last spring.

The stated aim of the suit was to compel the company to expose the payoff recipients. ITT has charged, however, that the SEC was not content to wait until the matter can be tried. Instead, according to the company, the complaint the SEC filed was itself a catalogue of who took bribes. "The commission never had to include the offensive allegations in its complaint in the first place," ITT said in its Supreme Court petition, "for they are not necessary to a statement of its cause of action."

## Vauxhall Union Plans to Strike

From Wire Dispatches  
LONDON, Oct. 30 — Union leaders of craftsmen at Vauxhall Motors, the U.K. subsidiary of General Motors, today gave notice of their intention to strike on Nov. 10 over pay demands.

Meanwhile, representatives of more than one million local government manual workers have submitted a pay claim which would give them raises of more than 40 percent, the British domestic news agency Press Association said. The claim contrasts with the government's aim of seeking the agreement of the Trades Union Congress for a voluntary 5-percent wage ceiling covering the current pay year.

## Japan Auto Exports Off

TOKYO, Oct. 30 (AP-DJ) — Japan's motor vehicle exports in September totaled 380,925 units, down 3.9 percent from the like year-earlier month, but up 12.4 percent from August, the Japan Automobile Manufacturers Association said today. The overall value of exports in the month totaled \$1.57 billion, up 26.8 percent from a year ago and up 16.2 percent from the previous month.

## DIRECTOR OF MARKETING

Financial advisor with marketing skills needed in the formation of Overseas branch. Introduction of California Agriculture Real Estate development.

Experience in high level real estate and investment sales desired plus the skills to deal with top financial organizations. Excellent compensation plus possibility of life long income.

Send complete resume including recent photograph to: President, Agri-International, Box D 1,203, Herald Tribune, Paris.

## Trading Third Heaviest on Record

## Late Rally Leaves NYSE Mixed

NEW YORK, Oct. 30 (Reuters) — A late rally by blue chips and glamour cushioned a steep slide on the New York Stock Exchange today as prices ended mixed in the third heaviest trading day on record.

Analysts said investors were discouraged by the dollar's losses. They also noted that a major factor in the downward spiral of secondary issues on heavy volume has been margin calls.

With the bleak prospects for inflation long term, said one analyst, "there is no incentive" to buy stocks. He said investors are getting out of stocks and bonds and moving into commodities.

Gold set a record, as did silver and other commodities such as platinum, coffee, sugar, cocoa and cotton.

The Dow Jones industrial average gained 5.80 points to 811.85 after dropping 17 points earlier in the day. Declines led advances three to one and volume rose to 59 million shares from Friday's 40.55 million, its heaviest since the Aug. 3 record of 66.37 million.

The Federal Reserve entered the government securities market to add reserves with three-day repurchase pacts with funds at 9 3/16 percent, dealers said.

IBM rose 2 1/4 to 272 1/4, Du Pont 2 1/4 to 126, Polaroid one to 46 1/4 and Eastman Kodak 1 1/4 to 46 1/4.

Among the actives, Boeing gained 3 1/4 to 60 1/4 and UAL Inc., which took options on 69 jets and reported higher earnings, rose one to 32 1/4. Delta, which ordered five Lockheed TriStars and took options on 15, eased 1/4 to 40 1/4. Lockheed gained 2 1/4 to 20 1/4. General Dynamics added 4 1/4 to 68 1/4 and McDonnell-Douglas one to 28 1/4.

GM slipped 1/4 to 61. Westinghouse eased 1/4 to 17 1/4, ex-dividend. It lost a uranium supply suit brought by Wisconsin Electric Power. ITT added 1/4 to 27 1/4.

Reliance Group confirmed it purchased 1,751,400 of its common shares on the Big Board Friday at 34 1/4 a share for a total purchase price of \$59.76 million.

Prices on the American Stock Exchange fell, with the market value index off 2.58 points to 138.73.

In Chicago, wheat was mixed, corn irregularly lower, oats mixed

and soybeans substantially higher at the close today on the Board of Trade.

Wheat was off 1 to 1 1/4 cents; corn off 2 to 3 1/4; oats up 1/4 to 1 1/4 and soybeans up 3 1/4 to 6 1/4.

Carryover support in soybeans was firm enough early in the session to offset a subsequent flourish of profit-taking that was firm enough to erase opening advances in wheat and corn.

## 2 Top Carter Aides See Victory Against Inflation

WASHINGTON, Oct. 30 (AP-DJ) — Two top Carter aides voiced seeming optimism on the nation's ability to combat inflation, although they conceded it will take quite a while.

U.S. Treasury Secretary Michael Blumenthal expressed confidence over the weekend that the dollar's decline eventually will abate and Barry Bosworth, director of the Council on Wage and Price Stability, warned today that economic growth will slow as part of the government's war on inflation.

"Fundamental" elements in the economy, plus the anti-inflation program, are all pointing in the right direction, Mr. Blumenthal noted, adding that the international money markets "will reflect that in coming weeks and months."

Speaking on a national television program, he conceded that the voluntary wage-price plan will take time to show an effect on the currency markets and to get inflation down to reasonable levels.

Assessing that he did not think the currency and stock markets understood the Carter anti-inflation program, he said he expects as the measures in the coming weeks and months they will exhibit more confidence in the U.S. economic position.

He said Mr. Carter's advisers have not given him recommendations on what should be in the package of anti-inflation legislation which the president has promised for January. "We need to look at the Social Security situation and at those taxes and at the whole problem in its totality," he said, adding "it is possible there will be something in that area, but that's not certain at this time."

Meanwhile, Mr. Bosworth, speaking to a group of trucking executives in New York, predicted "we are going to have a pause in this economic expansion." He added that economic expansion at rates achieved during the past few years "cannot be expected to continue."

"It will take us about four years to get the inflation rate down," he predicted. He also said the government will not be able to lower unemployment sharply because of the coming economic slowdown. He acknowledged that a major test of President Carter's program will come late this year when the Teamsters union begins contract talks with major trucking companies.

## EEC Bank Panel Reports Little Headway on EMS

BRUSSELS, Oct. 30 (AP-DJ) — Central bank governors of the European Economic Community meeting here today made little progress in solving major problems in establishing a new European Monetary System (EMS), sources reported.

The meeting, held behind closed doors, marked yet another attempt to reach an accord on such key problems of what intervention mechanisms should apply in the EMS as well as the amount of credit that should be available for support of currencies, sources said.

They said the governors also con-

tinued work on the report they are to submit to EEC finance ministers scheduled to meet here Nov. 20.

While participants would not discuss the results of today's meeting, other sources reported that West German Bundesbank president Oskar Emminger remained opposed to any mechanism that provides protective intervention prior to any EMS currency reaching mandatory intervention points set under a parity grid.

West Germany's central bank is known to be opposed to any "automatic consequences" for intervention and financing obligations other than those set under the parity grid. The Bundesbank fears that it may lose its autonomy over West German money-supply policy if the basket indicators were used for additional intervention, sources explained.

## Alitalia Buying 3 Airbus and 5 Boeing 727s

ROME, Oct. 30 — Alitalia, Italy's national airline, said it was buying eight A300 Airbus and five Boeing 727-200s as part of a \$3.1-billion investment program spread over the next 12 years.

The medium-range Airbus, for use on Alitalia's European and Middle East routes, will be delivered during 1980, a spokesman said. The Boeing airliners will be delivered in 1980 and 1981. At 79 levels, they are costing \$405 million.

## El Al Drops Option

TEL AVIV, Oct. 30 (AP-DJ) — El Al, Israel's national airline, has opted its option to buy two Airbus planes, a company spokesman said today. The option, taken last spring, expired before the agreement would guarantee the airline the right to buy the planes, the spokesman said.

## Delta Purchases More TriStars

ATLANTA, Oct. 30 (Reuters) — Delta Air Lines said it has ordered more Lockheed L-1011 TriStars for delivery in 1980 and 1981, said that in addition it has agreed Lockheed on options for an additional 15 TriStars for delivery 1982 through 1984.

Delta said that at current prices, 20 TriStars will cost in excess of \$100 million.

Meanwhile, in New York, UAL's United Airlines unit said it acquired options on 69 Boeing 747-200s, that, if exercised, would cost a total of \$2.2 billion, said Richard Harris, UAL's president.

The total includes \$1.7 billion for wide-bodied 767's for delivery between 1982 and 1986, and \$500 million for 32 additional 727-200s to be delivered in 1981 and 1982, he said. The company also recently projects capital spending of \$504 million this year and \$571 million in 1979 compared with \$477 million in 1978.

## Aid for Weak Currencies

ARNHEM, Belgium, Oct. 30 — EEC vice president Hans Vredeling said today there would be no EMS unless there was action to strengthen the weaker economies in the community. In an address prepared for delivery to the Congress of the European Movement here, he said that unless such action is taken one or more EEC members might withdraw from the projected EMS.

## Company Reports

Revenue, Profits in Millions of Dollars			
American Standard			
1977	1978	1977	1978
Revenue	495.90	Revenue	1,070
Profits	429.70	Profits	29.81
Per Share	21.90	Per Share	3.64
1979	1980	1979	1980
Revenue	1,55	Revenue	1,070
Profits	1.55	Profits	29.81
Per Share	1.41	Per Share	3.64
NL Industries			
1977	1978	1977	1978
Revenue	1,370	Revenue	470.50
Profits	67.70	Profits	22.23
Per Share	5.55	Per Share	0.65
Armstrong Cork			
1977	1978	1977	1978
Revenue	312.10	Revenue	276.00
Profits	13.33	Profits	10.35
Per Share	0.51	Per Share	0.40
Ogden			
1977	1978	1977	1978
Revenue	931.30	Revenue	464.50
Profits	48.47	Profits	14.60
Per Share	1.87	Per Share	1.64
Charter			
1977	1978	1977	1978
Revenue	533.40	Revenue	1,340
Profits	5.60	Profits	41.00
Per Share	0.28	Per Share	4.55
Phelps Dodge			
1977	1978	1977	1978
Revenue	1,460	Revenue	266.90
Profits	13.23	Profits	2.60
Per Share	0.64	Per Share	0.62
Foster Wheeler			
1977	1978	1977	1978
Revenue	341.30	Revenue	749.10
Profits	9.83	Profits	14.00
Per Share	1.20	Per Share	0.46

(Continued on Page 13, Col. 1)

## WHEREVER IN THE WORLD YOU DO BUSINESS, YOU GET A LOT MORE FROM BANK OF AMERICA THAN JUST CREDIT.

At Bank of America you get all the financial services you'd expect from one of the world's largest banks. But you get more than that—and you get it fast!

For instance, we've streamlined our organizational structure so that now you can get the decisions you need right on the spot in your part of the world. And we've established a sophisticated communications network that even uses satellites to speed up the process of gathering financial information for you from all over the world.

But best of all when you deal with Bank of America, you get a total commitment to quality. Our people are carefully trained to be responsive to the needs of each and every customer. Take our industry specialists. They each know just about everything there is to know concerning the industry in which they specialize. And their experience and advice are yours for the asking.

So whether you're a cotton grower in the United States or a textile manufacturer in Thailand, come to us for any kind of banking assistance you may need. And see how much more you get at Bank of America.

**BANK OF AMERICA**  
World Banking Division  
On the spot when you need us.

Our North American Division can provide crop production financing for U.S. cotton and our Asia Division can finance the equipment for the milling of the cotton in Thailand.





the 1990s, the number of people in the world who are illiterate has increased from 1.2 billion to 1.5 billion. The number of illiterate people in the world is projected to increase to 1.7 billion by the year 2015. The number of illiterate people in the world is projected to increase to 1.7 billion by the year 2015.























**National Airlines**